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# DUTCH ACTORS AND THE HUMAN RIGHTS ISSUES IN THE ITALIAN PROCESSED TOMATO SUPPLY CHAIN

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*A focused human rights impact assessment*

*By ImpactBuying bv*



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# Abstract

This Human Rights Impact Assessment (HRIA) has been assigned by CBL, the Dutch association of retailers and FNV the Dutch federal labour union and is supported by the Dutch Ministry of Foreign Affairs and the FNLI, the Dutch association for food manufacturers. This report contains a focused human right impact assessment and summarizes the investigation on the leverage of, and opportunities for, Dutch retailers and premium-brand manufacturers on the human rights issues occurring in the Italian chain of processed tomatoes.

The assessment was conducted in the period May 2021 till October 2021 and has been aligned with the methodology of the UN Guiding Principles on Business and Human Rights. A literature study has been conducted as a starting point to identify the salient issues and root causes related to human rights issues in the Italian processed tomato chain. These findings have been verified afterwards with relevant stakeholders to get a 2021 perspective on the status of the salient human rights issues in the Italian processed tomato supply chains. Furthermore, the assessment was used to determine the leverage of Dutch retailers and premium-brand manufacturers and their options to take action. A series of interviews have been conducted with stakeholders in the Netherlands and in Italy. The Dutch retailers and premium-brand manufacturers have been interviewed about their buying practices and all received the same interview questions. The outcome is summarized and anonymized. Two of the interviewed premium-brand manufacturers stood out in the level of transparency and actions they performed in their tomato supply chain.

This HRIA resulted is an overview of the salient human rights risks that are present in the Italian processed tomato supply chain. It delivers insights in the leverage of Dutch retailers and premium-brand manufacturers to influence these issues linked to practical recommendations.

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# 1 EXECUTIVE SUMMARY

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This Human Rights Impact Assessment has been focussed on delivering an overview of the 2021 situation with regards to the identified human rights situation linked to Italian processed tomatoes. It aims to deliver insights in the opportunities for Dutch retailers and Dutch premium brand food manufacturers to contribute to positive change regarding human right violations in the supply chain of Italian processed tomatoes. Therefore, the focus in this report will be on answering the following research question:

***What is the leverage of the Dutch retailers and other Dutch importers of processed tomato to create positive impact towards current human right violations in the Italian processed tomato supply chain, and what are practical opportunities to do so?***

## **Italian processed tomatoes**

Growing 5 million tonnes every year, Italy is EU's largest tomato producer and the third largest tomato producers worldwide. The Italian tomato by-products continue to have an important market share thanks to the strength of the made-in-Italy label, associated worldwide with a quality trademark. (European Parliamentary Research Service (EPRS), 2021). Production of tomatoes for processing is spatially concentrated in a northern (mainly Emilia-Romagna region) and southern (mainly Campania and Puglia region) production areas in Italy. Out of 5.16 million tons of processed tomatoes, 53% is produced in the North and 47% is produced in the centre and South.

## **North versus South**

In the North, tomato farmers tend to be better organized in cooperatives and other producer organizations (POs), and the supply chain is therefore in general more structured and formalized, while in the South less farmers choose to be organized in producer organizations or farmer cooperatives. Furthermore, in northern production areas, the POs consist of farmers that aim to negotiate contracts with the processors/industry associations that are respected by both parties.

In the South an important role in the buying and selling of tomatoes for processing is fulfilled by different intermediaries. Although these intermediaries are also often called producer organization or cooperative, they rather act as brokers. Some still negotiate prices in harvest time with farmers, even though collective agreements have been made earlier in the season. In the South it is more difficult to identify if intermediaries are truly producer organizations that involve the Italian tomato farmers since there are no specific programs or standards to identify this.

The level of mechanization in tomato production is high in the North and lower in the South. Production in the North is almost completely mechanical (from the nurseries to transplanting, irrigation, weeding and harvesting), while in the South mechanical harvesting is more difficult due the geographical conditions.

When there is no mechanization, farmers must use workers to do the harvesting by handpicking. Estimations of handpicking in Italy vary considerably, ranging from 4% to 25% (of the total number of harvested tomatoes for processing), but no reliable data is available as the administration on farmer level is not accessible. For manual sowing, transplanting, and harvesting, tomato growers need a considerable number of people for short periods of time. In the North there is a large number of farmers that grow on around 20 hectares (ha) per farm, while in the South a larger grower has farms of more than 10 ha each (sometimes even up to 300 ha) and there are also small growers with farms of up to 7 ha. Depending on the size of the field to be harvested, the workforce consists easily of close to 50 people. The overall period of tomato harvesting for processed tomatoes is approx. 12 weeks per year, between mid-July and the end of September. Harvesting takes place at short notice, meaning that if the tomatoes are nearly ripe, they must be harvested within a few days. That is when farmers need seasonal workers instantly. Hand picking tomatoes in the middle of summer is a low paid job that is not attractive for native Italian workers and as a result, many farmers have difficulties finding sufficient workers to get their tomatoes harvested in time.



### ***Seasonal workers in harvesting time***

In the last decade, multiple publications by NGOs, trade unions and journalists have shown human rights issues in the Italian processed tomato supply chain. The majority of these human rights issues related to processed tomato supply chain in Italy are in the first mile, thus focussed on seasonal workers at farm level. In Italy, around 370 thousand migrants from 155 countries are employed in agriculture, accounting for roughly 27% of the legal agricultural workforce.

Next to the legal workforce there is a growing and unknown number of undocumented workers in Italian agri-supply chains, which has been addressed and confirmed during stakeholder interviews. The exploitation of undocumented migrants by so-called gangmasters is not an issue for Italy only and exist in many countries all over the world. NGOs and local unions were successful in gaining attention to the Italian human rights issues linked to processed tomatoes but the topic is a potential global risk for all crops that require seasonal workers for harvesting.

### ***Identified salient human rights issues***

The main human rights issues are related to seasonal workers with particular focus on (undocumented) migrant workers employed through the 'caporalato' system. Caporalato is the system of a caporale, who is the gangmaster that runs an illegal organisation that provides workers for all types of work. The human rights issues can be divided into two main categories:

1. forced labour: human trafficking and exploitation of (undocumented) workers by (internationally operating) criminal/illegal networks; and
2. work- and living conditions: exploitation of seasonal and unskilled labourers by criminal/illegal networks, (unofficial) cooperatives and/or growers.

There are two groups of organisations acting as caporalato in Italy. Sometimes the caporalato is directly linked to the illegal activities of the Italian mafia. There are also other (foreign and national) illegal gangmasters active in the supply chain that execute caporalato practices that are not connected to the mafia. Their main income model is based on their role as an illegal recruitment agency, by picking up available workers and dropping them at the requesting party (a farmer). For this pick-up and drop service, workers must pay a fee, in other words, a deduction, which can absorb around 40% to 50% of a worker's daily pay.

Most of the salaries paid to migrant workers are based on piecework basis or per task. Workers employed through the caporalato system work between 8 and 12 hours a day, often with no rest day nor breaks and are seriously underpaid. According to the Observatory Placide Rizzotto, migrant workers recruited by caporalato receive a 50% lower salary than the legal salary. (Gallotti, 2020)

Also excessive working hours are common during the peak season, when harvesting must take place in a very short window during the summer time. This issue has a strong correlation with the issue of low wages, as low piecework rates tend to push workers to work at extraordinary hours, without breaks and without having a formal contract. The lack of a written contract makes it more difficult for a worker to accuse the employer of exploitative conditions and to prove what contractual terms were originally agreed, including fundamental terms such as hours and remuneration.

Next to poor working conditions, many (migrant) workers live in accommodations that are poor, unsafe, and unhygienic. The informal houses are also known in Italy as ghettos. A ghetto often consists of tents, huts made of plastic sheeting, with no or minimal running water, electricity, and sanitation.

### **Italian law**

When it comes to working conditions with a focus on seasonal workers and labour agencies, Italy is part of the EU and therefore part of the European legislation. The Italian legislation is in full alignment with the European legislation and Italy has put significant efforts in creating specific legislation addressing issues of exploitation of migrant workers and the role of the caporalato.

However, the legislation that was created to protect the rights of workers and to improve protection for victims of the caporalato and labour exploitation are repressive measures instead of preventive measures. It can only be applied after a case has occurred and has been verified. It requires inspections/enforcement, which is currently beyond the capacity of the Italian authorities according to FLAI-CGIL (Italian trade union). For example, in order to have the freedom of association, a worker needs a residence permit. This means that (undocumented) migrant workers are excluded. Furthermore, the seasonal permit system and Bossi-Fini law - which is the Italian migration policy stating migrant worker quotas, conditions for issuing residence permits and conditions for expelling irregular migrants - are seen as factors that increase the level of vulnerability, instead of improving the situation of workers and migrants by critics (e.g., NGOs, labour unions, etc.).

### *Beyond the sphere of influence*

The issues of (undocumented) migrant workers that desperately search for ways to survive and gangmasters making use of the situation is a systemic issue in many countries around the world and therefore not specifically for Italy. It is beyond the sphere of influence of the Dutch retailers and Dutch premium brand manufacturers to eliminate the existence of caporalato in Italy or prevent (undocumented) migrants to get into Italy and search for ways to earn money.

### *Supply and demand*

There is a “supply and demand” mechanism needed to allow the gangmasters to be successful. And even although farmers know it is against the law to use illegal gangmasters for providing a workforce, some farmers still make the choice to use gangmasters to provide a flexible and cheap workforce. The argument often shared during the interviews is that the prices the farmers receive for their tomatoes are too low to cover the cost price. Seasonal labour is one of the few variable cost a farmer can cut down and as the chances of getting caught by a labour inspector is small, some farmers decide to use the services of the illegal gangmasters.



### *The effect of initiatives*

Several initiatives have been launched in the last couple of years as an answer to the publications that focused on the human rights issues in Italian processed tomato industry. They reduced the number of incidents in the tomato industry but did not eradicate them. Some of these initiatives are national programs, others are large processors who have improved their own supply chain and created a new segment in the market with a brand that states zero exploitation and caporalato free tomato products. Stakeholders confirmed that the human rights issues in the Italian processed tomato industry have gone down but that illegal caporalato are now active in other agricultural crops that require a seasonal workforce.

The Italian multi-stakeholder initiative ‘La Rete del lavoro agricolo di Qualità’ (Network of quality agricultural labour), has been one of the national focus programs. The network is created to form a group of agricultural businesses that stand out for their compliance with labor regulations, social legislation, income, and value added taxes. In other words, agricultural companies who are associated with the network have been (desk-)audited to determine whether they are a ‘clean business’. A clean business means that the inspection didn’t encounter exploitation or illegal recruitment, and that the company has been compliant with national legislation in the past.

Several stakeholders have however addressed issues regarding this network (lack of enforcement, lack of management and bureaucratic processes).

### ***Leverage of Dutch retailers and premium-brand manufacturers***

Dutch retailers and premium-brand manufacturers obviously have buying power and business leverage to make a difference. By comparing total export volume on Italian processed tomatoes, with the export numbers to the Netherlands, the Dutch retailers and premium-brand manufacturers together have a leverage of roughly 4.8%. (ISMEA MERCATI, 2020). For making a systemic change in the Italian processed tomato supply chain on its own, the Dutch leverage is limited.

### ***Leverage in the buyer-supplier relationship***

Effective leverage is linked to the buyer-supplier relationship; leverage of retailers and/or premium-brand manufacturers depends amongst others on volumes purchased, buying practises, pricing policies and negotiation attitudes. The leverage of the Dutch retailers and premium-brand manufacturers depend on their individual relations with suppliers and can differ from supplier to supplier. In a one of one relation the leverage of an individual retailer and/or premium-brand manufacturer can be strong. The price setting practices differ to a large extent, but all use the system of yearly tenders, also with longstanding suppliers. Some retailers and premium brand manufacturers bundle their European buying volume and with that set the reference price for processed tomatoes in the Dutch market. Retailers or brand manufacturers with less buying volume have to match their price to that reference in order to satisfy the Dutch consumer demand for low-cost pricing. As a result, sometimes retailers sell their processed tomato product under cost price.

### ***Knock-on effects***

The agreed buying price between a buyer from a Dutch retailer or brand manufacturers and their contract supplier (trader and/or processor) is sometimes set at a level that turns out to be too low for the Italian tomato supply chain actors to earn sufficient money. The current buying practices is that buyers negotiate their prices for processed tomatoes months before the prices are negotiated between the processor and their cooperatives, producer organizations and/or farmers. The Italian prices, linked to the available quality and volumes of the tomatoes, are agreed based on data that is collected just before harvesting. If the prices agreed in a tender with the retailer/premium-brand producer are too low, the whole supply chain will try to cut costs to make some money. This can have a series of knock-on effects for the entire supply chain; when the buying price is below the cost price of a processor, the latter will push for cost reductions or budget cuts. As farmers are at the bottom of the supply chain, they suffer the most from this "race to the bottom".

### ***The effect of a competitive retail market on the consumer***

Dutch retail buyers and premium-brand manufacturers are not unique in their buying practices and focus on price. The international retail market is highly competitive and consumers are attracted to stores or on-line with promotions focussed on price. Consumer studies show that there is a growing consumer interest for sustainable products but at the same time that they are confused about the number of sustainability claims on products. The focus on low prices, even for those consumers that have the possibility to pay more for a product, is an important element for consumers to make their buying decision.

### ***Lack and role of transparency***

In order to understand the human rights issues in their processed tomato supply chain Dutch retailers and brand manufacturers need insights on the actors in their supply chains until the level of the Italian farmer. The majority of the Dutch retailers and brand manufacturers do not have data of their supply chain beyond the last stage of production (last production stage before selling). Transparency of the first mile (farmers) is crucial to enable informed decision making by the Dutch retailers and brands to work with their suppliers on improving the human rights issues in the supply chain. For example: if a buyer would be willing to pay more to their contract supplier, how can they be sure that the farmer receives the fair share of this premium? And that the farmer truly pays this premium to the workers in a legal way? Retailers and premium-brand manufacturers can only perform checks on the effective distribution of a premium towards farmers or workers when they have transparency data until the level of the farmers that are linked to their supply chain. The processed tomato supply chain starting from the Dutch retailer and/or Dutch premium-brand manufacturer to the actual Italian farmer, where most of the salient issues take place, can be complex and long.

### ***Italy is not linked to the policies for high-risk countries***

For the majority of the buying organisations Italy is not considered a high-risk country<sup>1</sup>. This implicates that with respect to the requirements in their Code of Conduct or human rights policy that are part of the contract with their contractual supplier and are publicly available, there is no specific requirement action requested from Italian processed tomato suppliers. As a result, the majority of the Italian processed tomato suppliers do not receive questions to deliver insights until the level of the Italian tomato farmer.

### ***Lack of clarity in audit standards***

Dutch retailers and premium-brand manufacturers use third<sup>2</sup>-, second<sup>3</sup>-, and first-party<sup>4</sup> audit standards to minimise and cover the risks for their products. In general, all standards have criteria that cover the majority of salient human rights issues identified. But the specific risks linked to the group of (undocumented) migrant workers and their recruitment through illegal organizations are either not covered at all in the third-party standards, and/or remain unidentified in the audit report. Not all third-party audit standards provide an audit report but only a certificate. Without the transparency on the findings of the auditor, retailers or brand manufacturers that rely on the outcome of an audit, cannot take actions.

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<sup>1</sup> The risk classification of countries used by many retail organizations relies on the Worldwide Governance Indicators (WGI) from the World Bank, being aggregate indicators of governance 1996-2019. These determine the level of risks related to governance in sourcing countries. (High-)risk countries are countries with WGI average rating between 0-60 or three or more individual dimensions rated below 60. [amfori-2020-11-12-Country-Risk-Classification-2021\\_0.pdf](#)

<sup>2</sup> Third-party audit refers to an audit executed under the supervision and against the criteria set by of an independent certification or verification scheme and conducted by trained and specialized auditors.

<sup>3</sup> Second-party audit refers to an audit executed under the supervision and against the criteria set by an individual company and conducted by contracted, external auditors.

<sup>4</sup> First-party audit refers to an audit executed under supervision and against the criteria set by an individual company and conducted by internal auditors.

## Conclusion

The leverage of Dutch retailers and manufacturers is limited at first sight; just 4.8% of the total Italian export is sold to a Dutch buyer. However, the leverage of Dutch retailers or manufacturers is often quite substantial when considering their individual supplier relationships. The Dutch retailer or premium-brand manufacturers do not have the leverage to change the whole Italian processed tomato industry or change the systemic issues linked to the use of illegal migrant workers or illegal gangmasters by themselves. The Dutch buyer is however an important and relevant buyer to some of their specific Italian suppliers and thus have sufficient leverage allowing for specific buying conditions such as decent worker conditions until the level of the Italian farmer. Italy is not seen as a high-risk country for social issues for the majority of the Dutch retailers and premium-brand manufacturers. As a result, the transparency and social compliance requirements in their contracts or Code of Conducts are not applicable for the Italian suppliers of processed tomato suppliers.

Dutch retailers and premium-brand manufacturers can only use their leverage if they have access to the transparency data linked to their Italian processed tomato supply chains until the level of the individual, Italian farmer. Not all contract suppliers (first tier) are willing and/or able to give that transparency or they lack insights themselves. Relevant stakeholders in Italy confirmed that they have never been asked before to give transparency until the level of the Italian tomato farmer. It will take a long time (many years) to achieve a systemic change in the transparency and release of data by all the supply chain actors.

Buying practices used by the Dutch retailers or premium-brand manufacturers are not an isolated case: almost all international buyers in the industry have similar ways of working. Buyers are trained on buying against the best conditions possible and the majority of their KPIs are linked to financial indicators. There is a fierce competition among retailers that also sell the branded products and low prices is one of the most important strategies to win the loyalty of the consumer. Consumers “speak with their heart but buy with their wallet” is a phrase often heard by buyers. The options for a consumer that wants to buy with their heart is not there when searching for sustainable processed tomatoes. A consumer cannot see the sustainability efforts that the retailer and the premium-brand manufacturer have made, on the outside of a can of tomatoes. Rainforest Alliance and Fairtrade can for example not be found on the products, because these standards are not available for European production sites.



Our literature study and interviews with several stakeholders confirmed that the use of caporalato and (undocumented) migrant workers for seasonal work is more relevant to the South of Italy and linked to farms where there is manual harvesting. Mechanical harvesting minimizes the number of workers needed, but it does not completely eliminate the risks as there are still some unskilled workers needed. The role of a democratic cooperative or producer organization is important to get transparency and achieve improvements until the level of the Italian tomato farmers. In the South producer organizations can in reality be traders that have no real connection to the farmers. There are no existing international accepted audit standards that delivers a clear definition to identify the quality of a cooperative or producer organization.

For many years in a row, there has been high pressure on the sales price of tomatoes for processing caused by the (international) buying practices in their search for low prices. The main variable cost that farmers, who are in the bottom of the supply chain, can cut down on is the cost of unskilled labour. As a result, there is a demand for flexible and cheap labour and illegal caporalato have developed methods to use (undocumented) migrant to fulfil that need. These practices are against the Italian law, which lacks (planned) enforcement to check all the Italian farmers during harvesting time. An Italian multi stakeholder initiative has been developed called 'La Rete del lavoro agricolo di Qualità' (Network of quality agricultural labour). It started in 2015 but has not yet been successfully implemented. According to several stakeholders this is due to management issues, lack of enforcement (and financial resources) and slow, bureaucratic processes.

Retailers and premium-brand manufacturers can lead by example and some already do. Giving a higher price for the product is only a solution if there is a guarantee that the premium is truly ending up in the pocket of the individual, identified Italian tomato farmer. If the farmer gets a better price for their tomatoes, they need to deliver evidence that seasonal workers are truly paid a decent wage. There are existing International and Italian examples and initiatives that could contribute to such transparency, but they are all in an early stage.



### **Recommendations**

It is recommended that the Dutch actors work together to deliver a contribution to the human right issues linked to undocumented migrant workers that are exploited by illegal gangmasters in the Italian processed tomato supply chain. On a step-by-step basis Dutch actors can “lead by example” and build the best practice that can be shared with their international peers. Looking at the options that the different actors have, ImpactBuying bv has the following recommendations:

## CBL (The Dutch Food Retail Association) and FNLI (the Dutch Association for premium-brand manufacturers)

- Share this study with other food retail and premium-brand representatives in Europe as a basis to revive the dialogue about the need for enhanced transparency of primary production in agri-food supply chains until the level of the individual farmer as a pre-competitive issue.
- Start a dialogue with stakeholders about a need for a Standard and/or criteria that shows whether a cooperative/Producer Organisation is truly operating as a democratic cooperative that collaborates with- and checks their supplying farmers on the agreed contractual requirements. It must include criteria for freedom of association of the workers on farms and the right to collective bargaining.
- Start dialogue with Standard owners about getting clarity about the criteria linked to migrant labour and request adapting their Standard and audit protocol. Include the consultation with local trade unions during an audit if available and relevant.
- Contact Standard owners to underline the necessity for retailers and brands to receive audit reports instead of only a certificate.
- Initiate dialogue within CBL/FNLI with members to consider and qualify countries like Italy as medium risk countries in their due diligence assessments and strategies for agri-food supply chains. Contact IDH/SIFAV to learn from their work on country risk ranking using credible sources such as Wageindicator.org and other recognized/recommended parties by IDH, to identify the countries that have a high risk of migrant labourers.
- Work with other European retail federations on the issue of migrant labour in a pre-competitive context and more specifically, work with Federdistribuzione to study the viability of extending the FAI initiative to the Italian tomato farmers that deliver tomatoes for processing. Investigate the possibility for pilot-testing the FAI initiative that include checking cooperatives and regular inspections at farm level to check the farmer payment.
- Work with MVO Nederland to get alignment on the criteria focusing on the inclusion of undocumented migrant labourers and criminal/illegal organisations (gangmasters/caporalato) in the MVO Risk-Checker.
- Start a dialogue about testing the IDH Living Wage tools (the verified living wage gap with trained auditors and the connected Base report) with Italian tomato farmers, to see if it delivers the insights that CBL/FNLI members need to understand if Italian tomato farmers paid their workers a decent wage. It includes a check on workers hired via agencies.
- Investigate the possibility to do a pilot with the True-code.org<sup>5</sup>, an initiative of ImpactBuying and the Consumer Goods Forum, that supports a free facility passport of individual farmers beyond the cooperative whilst protecting their personal data. True-code.org is a potential and free of cost solution to achieve full supply chain transparency until the level of the individual small-holder farmer.
- Work together with the Dutch government and the FNV about the need for the Italian government to increase the number of inspections and start a deeper investigation to see if and how the 'La Rete del lavoro agricolo di Qualità' (Network of quality agricultural labour) can help the Dutch retailers and premium-brand manufacturers to get more transparency.

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<sup>5</sup> [Truecode | Connecting Verified Truth \(true-code.org\)](https://www.true-code.org/)

- Create a pre-competitive platform that allow Dutch retailers and premium- brand manufacturers to share the experience of their pilots with their selected suppliers. Share the best practices with relevant national and international organizations.

### Individual retailers and premium-brand manufacturers

- Actively contribute to the work of CBL or FNLI to work on solutions that are non-competitive but help to develop and test standards and solutions that are of benefit for all, deliver more transparency and contribute to positive impact.
- For those who do not have requirements at all: set up a human rights policy (compliant with OECD Guidelines/UN Guiding Principles) and include that in the contracts with your supplier. Set up a monitoring system to check if these requirements are respected.
- Introduce medium risk countries as a category of countries that, linked to the risk of existence of migrant labour and (illegal) gangmasters. Work close with CBL/FNLI to come to the reliable sources that identify the relevant medium risk countries.
- Include the issues of migrant workers and illegal gangmaster into the Due Diligence study and include other crops (than tomatoes for processing) where seasonal workers are also needed to execute manual labour and combine these crops with the medium risk country list to define priorities.
- Include the medium risk country list into the existing human rights policies and/or code of conducts and supplier contracts. Develop a roadmap for the introduction of medium risk countries and define the (financial and operational) consequences of this roadmap for internal and external stakeholders.
- Organize a training for the relevant company buyers on the impact of this new risk category in their buying practices. The training should include dealing with suppliers that are unwilling and/or unable to get transparency until the level of the farmer.
- Generate a list of all suppliers that are present in this medium risk countries and start the dialogue about the need to have transparency beyond the last stage of production until the level of the individual buyer.
- Include the contractual requirements that the first tier (contractual supplier) is responsible for delivering transparency until the individual farmers and make submitting the detailed data (audit reports) part of the contractual requirement.
- Request the first-tier suppliers of processed tomatoes about the structure of their supply chain and the location of their tomato farmers and find out if they come from the North or the South. Request the first-tier supplier to deliver transparency about the way they harvest: manually or mechanically. Identify the way you want to validate the answer. For example, by sending own specialized staff or by using second party auditors that perform unannounced audits during harvesting time.
- Select an Italian processed tomato supplier that is willing and able to start a pilot in close collaboration with you as a buyer. The pilot should be focussed on addressing the salient issues in a pragmatic way and build experience. Actions to take:

- Discuss and test the effect of negotiating the prices with a tender that takes place after the Italian industry associations and farmers associations have set the minimum price range for a ton of tomatoes.
- Agree on a three-year roadmap (as a minimum) and work closely with the supplier to make the supply chains transparent until the individual farmers and identify the best ways to do that with testing the different options available.
- Try to understand what the investment and return on investment is for the farmers in this specific supply chain to change from manual to mechanical harvesting (if relevant in that supply chain).
- Introduce a pilot with one of the tomato supply chains of your selected first tier suppliers where you are prepared to pay a premium to the individual tomato farmers if they can deliver the requested transparency and evidence that they use legal workforce and paid their seasonal workers a decent wage.
- Test the implementation of the IDH salary matrix with the Italian farmers in the pilot as it includes the obligation of the farmer to identify the number of seasonal workers and what they have been paid. Request for a formally verified IDH Base report to get insights in the results. Offer (financial) support when help is needed and see what the CBL and/or FNLI have found on options that IDH has to deliver support.
- Introduce an impact KPI for buyers that is based on the pilot case and discuss this KPI with the internal leaders that set KPI's for integrated reporting. Buyers should be rewarded if they succeed (together with their first tier supplier) to obtain transparency data until the level of the farmer, can demonstrate that farmers use legal workforce, can demonstrate that seasonal workers are paid a decent wage even if they are hired by labour agencies.
- Develop a monitoring policy to check if a cooperative truly has paid the agreed minimum price to farmers and check the CBL outcome of the discussion with FAI to use existing Italian initiatives that could support monitoring.
- Investigate the existing Italian solutions to communicate via the product to the consumer. Start the dialogue with the internal marketing and communication department about a strategy to start communication to consumers. Set up a consumer test to identify the best options to provide consumers the option of an informed decision.
- Use the learnings of the pilot to expand the best practices to other processed tomato suppliers and other product groups that are identified as a risk while they also make use of seasonal workers.

## FNV (Dutch trade union confederation)

- Increase the general awareness in the Netherlands about the need for transparency in supply chains until the level of individual farmers as the base line that allows taking actions linked to human rights issues of (undocumented) migrant workers as seasonal labour in agri-food supply chains in European countries (beyond the processed tomatoes from Italy).
- Increase the awareness in the Netherlands that the human rights issues of (undocumented) migrant workers is not limited to Italy but appear in many other countries in the World where seasonal workers are hired for harvesting.
- Start a dialogue with stakeholders about a need for a Standard and/or criteria that shows whether a cooperative/Producer Organisation is truly operating as a democratic cooperative that collaborates with- and checks their supplying farmers on the agreed contractual requirements. It should include criteria for freedom of association of the workers on farms.
- Support CGIL-FLAI with addressing the need for enforcement, and stronger governmental control to improve the rights of (undocumented) migrant workers and their work- and living conditions in Italy.
- Support EFFAT trade union initiatives to start discussions with European retail organizations and premium-brand manufacturers about the topic of seasonal workers hired via legal and illegal agencies.

## The Dutch Ministry of Foreign Affairs

- Share concerns to the relevant representative from the Italian government about the lack of inspectors that are part of the ambitions that are described in the Three-Year Plan and the Recovery Plan. They are well intentioned and well described, but without the effective actions on the ground, progress is limited.
- Start the conversation with the relevant representative from the Italian government to understand what is needed to make the 'La Rete del lavoro agricolo di Qualità' (Network of quality agricultural labour) a success that is also accepted by the international market parties and actively inform relevant Dutch parties about the insights and progress.
- Raise the concern to the relevant representatives from the Italian government of the challenges and limitations of the (European) seasonal permit system. There is a systemic demand of legal agricultural workforce and not enough supply via legal routes. Gaps are filled by illegal gangmasters. It is therefore recommended to share these concerns and promote a revision of the conditions to apply for a seasonal work permit.
- Raise the concern to the relevant representative from the Italian government of the challenges and limitations of the complaint and registration system for victims of exploitation experience when wanting to report exploitative conditions by an employer or

gangmaster to a governmental institution. The Italian system is depending on victims coming forward and identify themselves, which creates a high threshold, which can be too high for undocumented workers who are afraid of getting expelled.

- Support the current developments for due diligence legislation in Europe and learn from the best-practices on due diligence that Dutch retailers and premium-brand manufacturers have implemented in their own organisation and supply chains. A European law on due diligence will increase the awareness for every actor in the international supply chains (including the Italian processed tomato supply chain) to make their supply chain transparent and start acting on risks.
- The Dutch Ministry of Foreign Affairs could check if the governmental buying departments already executed a due diligence study and whether Italian processed tomatoes are in scope. Governmental buying departments can also follow the recommendations in this report written for buyers from retailers and premium-brand manufacturers.

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## 2 INTRODUCTION

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The processed tomato value chain is a complex chain with many actors. Currently, Italy is worldwide the third largest producer of tomatoes for processing. Several reports and studies in the last decade have shown severe human right violations<sup>6</sup> in the Italian processed tomato supply chain, especially at the farm level. As a result, media attention was raised leading to awareness and to a call for collective action. The Dutch Retail Federation CBL and the largest labour union FNV decided to have a Human Rights Impact Assessment (HRIA) carried out to get better insight in the current status of human rights issues linked to processed tomatoes originating from Italy. CBL and FNV were supported by the Dutch Ministry of Foreign Affairs and FNLI, the Federation of Dutch Food Industry. These two parties contributed with their knowledge, experience and network.

This Human Rights Impact Assessment (HRIA) has been focussed on delivering an overview of the 2021 situation with regards to the identified human rights situation linked to Italian processed tomatoes. It aims to deliver insights in the possibilities for Dutch retailers and Dutch premium brand food manufacturers to contribute to positive change regarding human right violations in the supply chain of Italian processed tomatoes.

ImpactBuying bv is a specialized impact-driven organization with years of experience in buying practices and unravelling international supply chains. It is their purpose to turn supply chain challenges into impactful business opportunities with positive benefits for all actors. Part of the ImpactBuying activities is executing HRIAs to identify salient issues in supply chains for a client and to identify possibilities for creating positive impact. ImpactBuying was selected to implement this focused HRIA in the Italian processed tomato supply chain and carried out this assessment with a team consisting of Dutch and Italian experts. The research objective as agreed with CBL and FNV was translated into a more detailed set of research questions divided over four distinct phases as explained below. The HRIA methodology as applied by ImpactBuying, contains the following steps.

1. Context Analysis: Overview of facts (re. 'Dutch leverage')
2. Mapping of salient human rights issues: Deep dive into the Italian tomato chain
3. Analysis of root causes and recommended actions towards positive change
4. Conclusions and recommendations

This assessment has merely dealt with the salient issues in the processed tomato supply chain from Italy and its impact at a broader, sectoral scale.

The team has not been able to properly cross-check and assess the data and its transparency at the level of impacted people. The team has also not been able to properly rate the impact experienced by different groups of people based on the severity, occurrence and attribution of the identified impact.

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<sup>6</sup> (Placido Rizzotto Observatory & FLAI - CGIL, 2020)

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## 3 RESEARCH OBJECTIVE, PHASES & QUESTIONS

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***What is the leverage of the Dutch retailers and other Dutch importers of processed tomato to create positive impact towards current human right violations in the Italian processed tomato supply chain, and what are practical opportunities to do so?***

### **Research questions:**

#### *Phase 1. Context Analysis: Overview of facts (re. 'Dutch leverage')*

- 1.1 What are the facts about Dutch import as part of the total yearly export volume of processed Italian tomatoes (as indicator for Dutch leverage)?
- 1.2 Relevant European and Italian legislation applicable to working conditions of seasonal workers in the agricultural sector in Italy; what do the European and Italian legislations say?
- 1.3 Level of supply chain transparency of the existing Italian suppliers linked to each Dutch retailers and premium manufacturers: what data is available about their Italian processed tomato supply chains?
- 1.4 Quality and length of the business relations of Dutch retailers and manufacturers with their processed tomato suppliers from Italy: is it viable and realistic to achieve a positive change in the processed tomato supply chain given the specific business relationship?
- 1.5 Transparency requirement as part of contractual arrangements: is it clear to Italian first tier suppliers of Italian processed tomatoes what level of transparency and what data are required for their supply chain?
- 1.6 What standards and audit tools do the Dutch retailers and manufacturers apply to monitor human right issues in their Italian processed tomato supply chain: do the available standards and audit tools provide sufficient insight into human right issues in the Italian processed tomato supply chain?

#### *Phase 2. Mapping of salient human rights issues: In-depth analysis of the Italian tomato chain*

- 2.1 Extracting the salient human rights issues from existing research and studies focused at the Italian processed tomato supply chain: what salient human rights issues have been identified over the last decades?
- 2.2 Verification of the extracted salient human rights issues in the Italian processed tomato supply chain: cross-check and discuss with relevant stakeholders and experts.
- 2.3 Italian governmental control mechanism on these salient human rights issues in the processed tomato supply chain: what is the level and effectiveness of governmental control regarding these salient human rights issues up to the level of tomato farmers and their workers?
- 2.4 Assessing the role and impact of labour unions, NGOs, and industry associations: what is their influence when it comes to the salient human rights issues in the tomato supply chain?

2.5 Cross-check the criteria of the first-, second- and third-party audit tools with the actual list of salient human right issues: to what extent do audit tools monitor the salient human rights issues as reported?

2.6 Identifying the living wage benchmark and living wage gap following the IDH Living Wage roadmap. The ambition is to ensure compliance with laws and regulations (e.g. working conditions, working hours, collective labour agreement, social security).

### *Phase 3. Analysis of root causes and recommended actions towards positive change*

3.1 Identifying the root causes to the identified human rights issues in the Italian processed tomato supply chain.

3.2 Analysing in-depth the root causes to these human rights issues in the supply chain.

3.3 Attribution of supply chain actors to the human rights impact: what is the level of indirect attribution of Dutch retailers and manufacturers to the human rights impact?

3.4 Exploring major initiatives that have been launched to address the root causes: what initiatives have been set up over the past decades to tackle these root causes and how effective have they been?

3.5 Existing initiatives that have been launched to minimize and/or eliminate the human rights issues in the Italian tomato value chain: what have been the pros and cons of these initiatives and what are the reasons behind their success or failure?

### *Phase 4. Conclusions and recommendations*

4.1 Based on the assessment, what are the recommendations to retailers, manufacturers, and other stakeholders?

4.2 How to make positive impact and what strategy suits the Dutch retailers and manufacturers best, given their leverage and import volumes?

4.3 Suggested action plan focussing on Dutch retailers and manufacturers towards positive impact on human rights issues in the Italian processed tomato chain.

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## 4 FRAMEWORK OF THE IMPACT ASSESSMENT

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This Human Rights Impact Assessment is based on a pragmatic approach, including stakeholder consultations with many different actors in the Dutch and Italian processed tomato supply chain. The assessment started in May 2021 and ended in October 2021 and was executed by a team of Dutch and Italian experts.

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### Privacy of data collected

ImpactBuying guarantees that the data collected and submitted by CBL and FNLI members will not be shared with external parties and will appear in the final report in an anonymous way. Names of interviewed stakeholders are only mentioned when they specifically gave permission to do so.

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### Scope

The scope of this HRIA is limited to the following issues:

1. This assessment investigates the current situation in 2021 of human rights issues in the Italian supply chain of processed tomatoes.
2. The focus for the CBL members was on their private label suppliers of processed tomato products from Italy sold to the Dutch retailers.
3. The focus for the premium brand producers that are member of the FNLI was on their raw material suppliers of processed tomato. FNLI identified the selection of relevant Dutch food producers.
4. The team did not go in-depth into details of every separate salient issue to (individual or groups of) people, communities and/or the natural environment.
5. The focus of the local research and stakeholder consultation in Italy was limited to actors representing different steps in the supply chain of processed tomatoes from Italy.
6. The focus has been on the level of transparency that the different actors have on the human rights issues in their supply chain. More specifically at the level of the individual tomato farmers and how they deal with seasonal workers, with an emphasis on migrant workers.
7. These stakeholders were consulted: retailers, premium-brand manufacturers, buying organizations/traders, processing firms, third-party schemes, auditors, producer cooperatives, farmer cooperatives, labor unions, workers' associations, governmental institutions, industry associations, tomato farmers and NGOs.
8. The team has been able to reach out to and verify findings with worker representatives, a farmer, and a few seasonal workers. The attempt to reach out to migrant workers in a so-called ghetto with people from African origin had to be aborted before even one question could be posed to a migrant worker, due to a hostile environment during the visit. In that sense, the team has not been able to properly cross-check data with that target group: undocumented migrant workers.

The methodology used in this project is aligned with the UNGPs on Human Rights & Business as well as with the OECD Due Diligence Guidance for Responsible Business Conduct. Also, the HRIA Framework by Oxfam is aligned with the latter. The general structure includes 4 phases: context analysis, mapping of human right risks, root causes analysis including validation with stakeholders and reporting with recommendations for action and communication. The team has been able to reach out to and verify findings with worker representatives, a farmer, and a few

seasonal workers. The attempt to reach out to migrant workers in a so-called ghetto with people from African origin had to be aborted before even one question could be posed to a migrant worker. In that sense, the team has not been able to properly cross-check data with that target group, let alone with specific sub-groups such as women or young workers within the target group. As primary data collection with the target group has been very limited, the identification of impact on people has also been limited, just like the rating of that impact on the basis of severity, actual occurrence, or likelihood of occurring and attribution by actors.

There are four steps followed in this assessment. The fifth step is regarding the impact assessment report, showing the analyses and results. The report uses the following structure:

- Research questions 1.1 till 1.6 are covering the context analysis.
- Research questions 2.1 till 2.6 are focused on mapping the salient issues and checking the actual coverage of salient issues by third-party standards.
- By answering the research questions 3.1 till 3.5, the step of the analysis of the root causes, including the analysis of the attribution of root causes and its impact, and the analysis of initiatives has been covered.
- Lastly, research questions 4.1 till 4.3 are providing the conclusions and recommendations, in general but also in the form of an action plan.
- All salient issues and root causes have been validated with stakeholders related to the Italian processed tomato chain.

## 4.1 Data gathering

ImpactBuying used several techniques for data gathering. Where relevant and where allowed due to agreed privacy reasons, this report refers to the sources. The qualitative information was gathered via structured interviews, semi-structured interviews, and unstructured interviews. Some of the Italian interviews can be found as attachment in the original form with an unofficial English translation. Due to the covid situation various techniques were used for reaching out, such as Teams/Zoom, telephone, e-mail, and other online means. For this impact assessment, semi-structured interviews were used in combination with questionnaires, contact via phone, field visits and expert consultations.

### *Quantitative data:*

Literature review/desk-research on the existing reports on human rights assessment of the Italian tomato value chain. A summary of these studies functioned as a starting point for the impact assessment, from which the indicated human rights issues and root causes were analysed. The following main reports were consulted in the preparation phase (for a complete list of the data and sources used, please see chapter 13 Bibliography):

- Osservatorio Placido Rizzotto & FLAI-CGIL – Agromafie e caporalato, Quinto Rapporto 2021
- European Parliament – Migrant seasonal workers in the European agricultural sector 2020
- Oxfam International – The Workers behind Sweden’s Italian Wine 2021
- Terra – Squeezed Dry: The Crisis in the Tomato Industry Between Exploitation and Unsustainability

- Francesco Mantino and Barbara Forcina – Market, Policies and Local Governance as Drivers of Environmental Public Benefits: The Case of the Localised Processed Tomato in Northern Italy
- USDA Foreign Agricultural Service – Italian Processed Tomato Overview 2018
- Oxfam: The People Behind the Prices: A Focused Human Rights Impact Assessment of SOK Corporation’s Italian Processed Tomato Supply Chains
- Joint Ethical Trading Initiatives – Due diligence in agricultural supply chains: Counteracting exploitation of migrant workers in Italian tomato production
- Literature review of the criteria of third-party schemes, their availability and coverage of risks.
- Literature review of the criteria of third-party schemes, their availability and coverage of risks

*Qualitative data:*

- Semi-structured interviews with parties and NGOs that have conducted research on relevant topics;
- Semi-structured interviews with the specialized local union FLAI combined with a personal visit;
- Structured interviews with industry associations and processor associations combined with a personal visit;
- Structured interview with farmer representatives combined with a personal visit;
- Semi-structured interviews with selected stakeholders in Italy and in The Netherlands;
- Structured interviews with representatives of the selected CBL members including their buyers;
- Structured interviews with representatives from selected premium-brand manufacturers as FNLI members, including their buyers;
- Unstructured interviews with a tomato farmer and her mechanised harvesting team;
- Attempt to have an interview with migrant workers in a ghetto based on a personal visit;
- Semi-structured interview with representatives of the Dutch Embassy in Italy.

*Interviews*

During the impact assessment, several interviews with stakeholders in Italy and the Netherlands have been conducted. A number of interviewed stakeholders have given permission to share an anonymized summary. These, including the interview with Mutti are provided in annex 2 till 7.

## 4.2 The ImpactBuying HRIA team

*Table 1 ImpactBuying team*

Team member	Company	Role in assessment
Marjan De Bock – Smit	ImpactBuying	Project leader
Roos Vergeldt	ImpactBuying	Data analyst and Project manager
Luca Rosafauzza	CSQA	Social Compliance specialist / lead auditor
Allesandro Mattiazzi	CSQA	Primary production specialist / lead auditor
Marco Omodei-Sale	CSQA	Project manager Italy
Maria-Chiara Feresca	CSQA	Deputy director

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## 5 THE ITALIAN PROCESSED TOMATO CHAIN

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Growing 5 million tonnes every year, Italy is EU's largest tomato producer and the third largest tomato producers worldwide. The Italian tomato by-products continue to have an important market share thanks to the strength of the made-in-Italy label, associated worldwide with a quality trademark. (European Parliamentary Research Service (EPRS), 2021). Production of tomatoes for processing is spatially concentrated in a northern (mainly Emilia-Romagna region) and southern (mainly Campania and Puglia region) production areas in Italy. Out of 5.16 million tons of processed tomatoes, 53% is produced in the North and 47% is produced in the centre and South.

Production regions and locations where tomatoes are sourced from vary throughout the year based on the differences in production season and varieties grown. Small producers in the processed tomato supply chain in Italy usually have up to 10 hectares (ha) of land whereas the larger ones grow on 10 to 300 ha of land. Farmers may not own all the land that they till; they can also rent agricultural land for tomato farming (crop rotation induces renting). Tomatoes are a relatively nutrient intensive and pest sensitive crop. Good farming practises in tomatoes require crop rotation in which land cannot be used for two consecutive years for tomatoes. Farmers should grow another crop (or set the land aside), fumigate and not until the third year, plant tomatoes again. In the North there is a large number of farmers that grow on around 20 hectares (ha) per farm, while in the South there are larger growers that have farms of more than 10 ha each (sometimes even up to 300 ha) and there are also small growers with farms of up to 7 ha. Most growers do not only produce tomatoes (or tomatoes for processing) as they need to have the required soil rotation on their farms and need to have more cash crops to earn a decent farm income. Common alternatives are broccoli, grapes, spinach, artichoke, potatoes, and other horticultural crops.

In the North, tomato farmers tend to be better organized in cooperatives and other producer organizations (POs), and the supply chain is therefore in general more structured and formalized, while in the South less farmers choose to be organized in farmer cooperatives. Furthermore, in northern production areas, the POs consist of farmers with the main aim to negotiate contracts with the processors/industry associations that both parties respect.

In the South an important role in the buying and selling of tomatoes for processing is fulfilled by different intermediaries. Although these intermediaries are also often called producer organization or cooperative, they rather act as brokers. They still negotiate prices in harvest time with farmers for example, even though collective agreements have been made earlier in the season. In the South it is more difficult to identify intermediaries as actual producer organizations that involve the Italian tomato farmers since there are no specific programs or standards to identify this.

According to Fabio Cionte and Stefano Liberty<sup>7</sup>, the POs extreme fragmentation and frequent disconnection from the agricultural world make them one of the main obstacles to the

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<sup>7</sup> (Ciconte & Liberti, SQUEEZED DRY: The Crisis In The Tomato Industry Between Exploitation And Unsustainability , 2016)

development of a functioning supply chain, in which the various actors work in an integrated system.

The level of mechanization in tomato production is high in the North and lower in the South. Production in the North is almost completely mechanical (from the nurseries to transplanting, irrigation, weeding and harvesting), while in the South mechanical harvesting is more difficult due the geographical conditions.

When there is no mechanization, farmers must use workers to do the harvesting by handpicking. Estimations of handpicking in Italy vary considerably, ranging from 4% to 25% (of the total number of harvested tomatoes for processing), but no reliable data is available as the administration on farmer level is not accessible. For manual sowing, transplanting, and harvesting, tomato growers need a considerable number of people for short periods of time. Depending on the size of the field to be harvested, the workforce consists easily of close to 50 people. The overall period of tomato harvesting for processed tomatoes is approx. 12 weeks per year, between mid-July and the end of September. Harvesting takes place at short notice, meaning that if the tomatoes are nearly ripe, they must be harvested within a few days. That is when farmers need seasonal workers instantly. Hand picking tomatoes in the middle of summer is a low paid job that is not attractive for native Italian workers and as a result, many farmers have difficulties finding sufficient workers to get their tomatoes harvested in time.

*Anonymous employee tomato processor, Sept. 2021*

*“Tomato growers did not start the mechanised harvesting because of a lack of cheap labour nor because of their decision to oppose human rights violations or to reduce human rights risks. Tomato growers started mechanised harvesting out of financial motivations; out of ongoing cutting back on labour costs. Over the years, tomato growers have seen their yearly revenues and production margins go down. As a result, they looked for ways to reduce their production costs; there were not so many costs that they could cut down on. Labour costs used to be the largest share by far of the variable costs; this is where they made their cut. The mechanical harvesting requires a handful of skilled people and another handful unskilled workers. Everyone can do the maths; it is merely a financial decision to switch to mechanised harvesting, as long as you have sufficient land under production.”*

Due to the geographical location of Italy, migrants from different parts of the world use Italy as a point of entry into Europe. Seeking shelter from war and poverty or taking the chance to build a better life for themselves or their families. The asylum procedures in Europe, including Italy, are complex and take a long time. Part of the migrant population, including the ones that have no formal identification paper, often chose the path of illegality, and have to find ways to make a living. This makes them vulnerable to traffickers and gang masters that have a role in providing workforce to farmers that are in need for staff for harvesting their products. Over the last two decades, there have been several severe human rights incidents reported. Farms that use machines also need seasonal workers and there are also human rights incidents reported in relation to workers on farms that use machines for harvesting. But by default, there are less workers needed for manual work. Working with and on machines is better paid, and therefore attracts native Italian workers more easily. Other activities in the Italian processed tomato industry also require manual labor, but more downstream in the supply chains there are less incidents reported. In the last decade, multiple publications by NGOs, trade unions and

journalists have shown human rights issues in the Italian processed tomato supply chain. The majority of these human rights issues related to processed tomato supply chain in Italy are in the first mile, thus focussed on seasonal workers at farm level.

## Processed Tomato Supply Chain – Italy

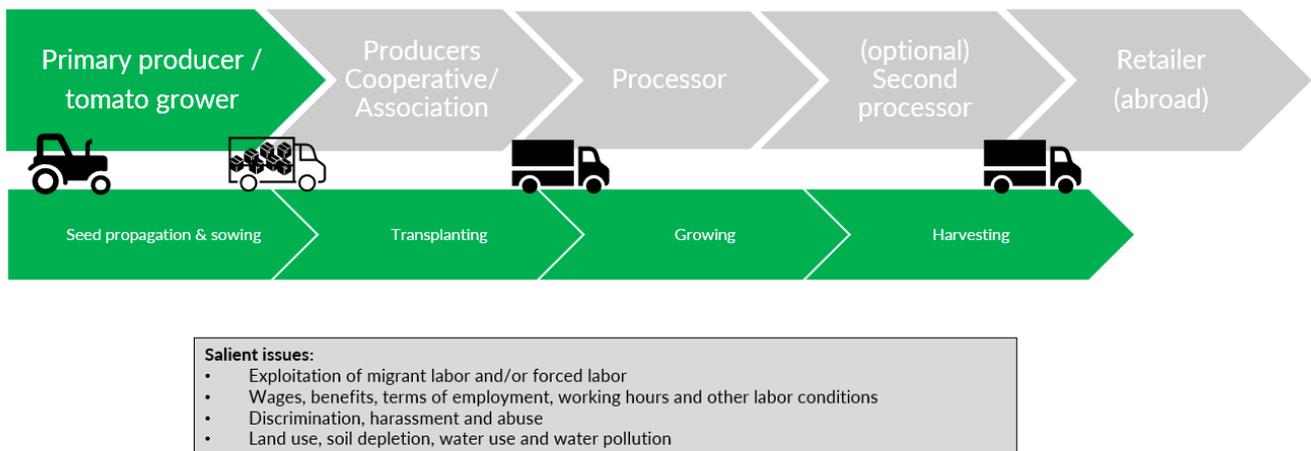


Figure 1 Overview of Processed Tomato Supply Chain - Italy

On average there are many actors involved in the supply chains of canned tomatoes. Equally, there are many layers between the Dutch retailer and/or brand manufacturer and the individual Italian farmer where the majority of the human rights issues take place. Moreover, the character of the production being a fresh agricultural product grown in open fields, implies that the supply chain differs from time to time. When selected growers have a poor harvest, others may enjoy high productivity, and some may have suffered from a mishap.

At the level of growers, many Italian tomato farmers are organised in several cooperatives that sell the tomatoes on behalf of their membership to processors, especially in the North of Italy. In other areas, predominantly in the South, the growers are less organised in cooperatives, but grower associations negotiate a year collective agreement with processors on behalf of the growers, including the price for their crop. These grower associations tend to operate as an administrative office to the tomato farmers, carrying out the administrative and financial part of the supply contracts for them at a service fee. There is also the possibility that Italian growers sell tomatoes individually and directly to processors without interference of a cooperative or grower association.

### 5.1 Pricing

Every year in February, representatives of tomato growers and representatives of tomato processors start to negotiate and conclude a collective agreement within 1-4 months (see annex 8) that sets the indication of the off-farm tomato price. The negotiations start in February and two collective price frameworks are created, one in the South and one in the North. (Colvine, 2021) (Branthôme, 2021) Through tenders prices for the processed tomato products are often negotiated between processors and their buyers before the Italian collective agreement is made.

Buyers with large volumes tend to set the buying price for others who are market followers. In chapter 6, the buying/pricing practices of Dutch retailers and premium-brand manufacturers is explained in more detail.

According to an Italian processor, there are separate collective buying agreements created for the South and the North. Organizations of farmers and producers make a framework agreement, which is shared with all parties. This is afterwards made public with a media release (see annex 8). However, they also stated that this agreement is not mandatory or a forced agreement, but once a farmer or processors joins an association, they tend to follow it. In the North these agreements are normally strictly followed, while in the South sometimes further negotiations (based on the agreement) during the harvest take place.

The market prices are every year collected by the Italian Chamber of Commerce and published in a summary, where the ranges of prices are given (see annex 9). (Camera di Commercio Parma, 2021) These documents published by the Italian Chamber of Commerce are used for example by CSQA Certificazione (more details at chapter 9.1 Initiatives) during their audit. In order to meet the 'shared value' standard, an organization needs to demonstrate that the 'shared value' is guaranteed along the food chain. This 'shared value' must also be a 'fair price', which is determined by the summary document of the Italian Chamber of Commerce.

The interviews of Italian stakeholders have shown that there is a considerable difference between the North and South of Italy when it comes to the functioning of these negotiations and sales processes. In the North the growers are often represented by their grower cooperatives. Workers are represented by worker associations or unions. The price negotiations and labour payments are embedded within organisational structures that should (if properly founded and functioning) be able to correct and secure the interests of growers and workers. In the South however, growers are often represented by producer associations. Yet, growers are not necessarily a (an active) member of the association that negotiates the off-farm price. Based on the collective buying agreement, supplying contracts between a grower to a processor can be administered by the respective producer association at a service fee. The producer organization in the South is sometimes more an intermediary and administrative office.

Growers are not always aware of the contractual requirements of (International) buyers and simply focus on meeting the production objective (volume and quality) for that year, at the price set by their representing organisation (cooperative or association). During conversations with some industry associations, it was confirmed that the process of setting the off-farm tomato price does not take a minimum cost price calculation into account. When a price is pushed down, the grower tries to cut variable costs; seasonal labour is the largest share in variable costs in case of hand-picked harvesting.

## 5.2 Employment of migrants in the Italian agriculture

In Italy, around 370 thousand migrants from 155 countries are employed in agriculture, accounting for roughly 27% of the legal agricultural workforce. (ANSA, 2020) According to a study conducted by several organisations in Europe, official figures do not reflect reality, as many migrant workers are unrecorded.

For Italy, the figure of 370 thousand migrant workers in agriculture (27% of the legal agricultural workforce) does not reflect the fact that the bulk of seasonal agricultural work is carried out by people who already live in Italy but came by other routes:

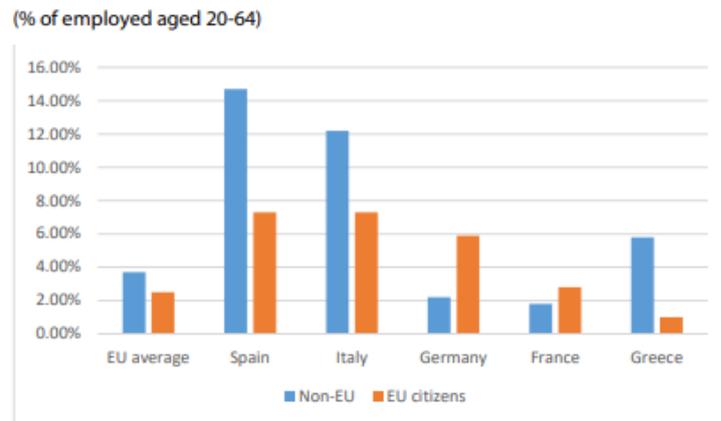


Figure 2 Employment of non-nationals in the agricultural sector of selected countries, 2019

undocumented migrants or asylum-seekers, and EU citizens from eastern Europe. It is estimated that Italy's actual agricultural sector numbers lay between 400 and 500 thousand migrant workers, around half of its total workforce. (Popp, 2020) (European Parliamentary Research Service (EPRS), 2021) (Meret & Goffredo, 2020)

In the figure above, the distribution of the agricultural workers in 2019 is presented. In the period 2011 and 2017, there was an increase ranging from 4.3% to 6.5% in the share of migrants in the total employment in the European agriculture. In Italy (as well as in Spain and Denmark), this share of migrants employed in agriculture was among the highest in that same period. (European Parliamentary Research Service (EPRS), 2021)

The measures taken by European governments because of the COVID-19 pandemic, for example closing borders and suspending multiple economic activities, had a considerable impact on the agricultural sector in Europe.

In Europe, several countries, including Italy, have been struggling to find seasonal workers during the harvest of fruit and vegetables. In Italy, Coldiretti (the National Confederation of Agricultural Producers) claimed in 2020 that 40% of the agricultural products might go to waste, because of the shortage of seasonal laborers. According to Coldiretti, over 370 thousand workers were needed for harvesting all agri-food products in that year. (Meret & Goffredo, 2020) (European Parliamentary Research Service (EPRS), 2021)

In this HRIA specific attention is paid to the group of migrant workers and the human rights issues identified linked to the group of (undocumented) migrant workers. This group is hidden and therefore the level of vulnerability increases. National labour inspections have been minimal (see chapter 7.4.4) and therefore data about this group of workers is marginal. One of the activities of an initiative by OIM UN Migration, is to support the National Labour Inspectorate. The goal is to prevent and contrast labour exploitation of migrant workers in - among others- the agricultural sector by improving the effectiveness of labour inspections and promoting coherent and coordinated interventions among relevant authorities.

The outcomes of their inspections during the project (April 2020 till December 2020) showed that of the migrant workers they interviewed (1846 in total), 29% of them declared to reside in informal settlements, 18% declared not to have a regular permit to stay and 17% not a regular work permit. During those inspections, 63 cases of labour exploitation were identified. In chapter 9.1 and in Annex 16, the project goals and results are covered in more detail.

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## 6 PHASE 1: ANALYSIS OF THE CONTEXT

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### ***What is the leverage of the Dutch retailers and Dutch premium-brand manufacturers and what are their options to create positive impact with regards to human rights issues in Italian processed tomato supply chain?***

Obviously, the level of buying power and business leverage by retailers and premium-brand manufacturers are making a difference with respect to their demand for increased transparency and sustainability in their supply chains. This buying power and the connected leverage can only be effective if they are linked to clear requirements (i.e., buying conditions). The contractual arrangement that retailers and premium-brand manufacturers have is normally only with their first-tier supplier. Besides prices, these contractual arrangements also contain other requirements such as the level of transparency that the contractual supplier has to deliver and the type of evidence required to demonstrate compliance on quality, food safety and/or sustainability requirements.

When a supplier has to invest resources in fulfilling requirements set by their client (retailer or premium-brand manufacturer, the leverage (buying power) of their client is pivotal. If profit margins/volumes on the client do not make up for the investment the supplier makes on new requirements, the supplier may not be willing to comply with new requirements or may not be able to deliver evidence of compliance. Practice shows however that if the relationship with a supplier is longstanding, the supplier might be willing to put effort in complying with new requirements, even if the leverage of their client is limited. The tomato supply chain from the Dutch retailer and/or premium-brand manufacturer to the actual Italian farmer, where most of the salient issues take place, can be complex and long. As the retailer and/or premium-brand manufacturer only has a contractual relationship with their first-tier supplier, the execution of the requirements in the contract have to be pushed down into the supply chain by their first-tier supplier.

#### **A Dutch retailer shares their insights**

The Dutch buying company, Superunie, representing 13 independent retail organisations, shared the results of a supply chain mapping project that they performed on their canned tomato supply chain. The aim of this project was to gain insight into their Italian processed tomato supply chains starting from their contractual suppliers (as first tiers).

The example shared is the supply chain of one of the contractual suppliers with whom Superunie has a long-term relation and who agreed to provide transparency of their supply chain until the level of the farmer for the factories that they directly control. This contractual supplier is a large Italian trader/producer that owns several processing plants. A portion of the canned tomato volume comes from two external traders/producers. All processing plants are supplied by several cooperatives, producer associations and/or individual producers. These cooperatives and associations in their turn vary in their membership from few growers to nearly 200 growers.

What this example shows, as supported by the figure, is that Italian processed tomato chains may involve a large number of different actors: processing plants, individual producers, cooperatives, associations of growers and farmers. In Northern Italy, cooperatives tend to be the common organisational structure of tomato growers, whereas in the South the tomato growers are less well organised and some are member of grower associations. In the case of Superunie, it

was found helpful to visit its suppliers to obtain more supply chain transparency. By visiting suppliers, mutual understanding was enhanced which increased the openness and willingness to share data when needed.

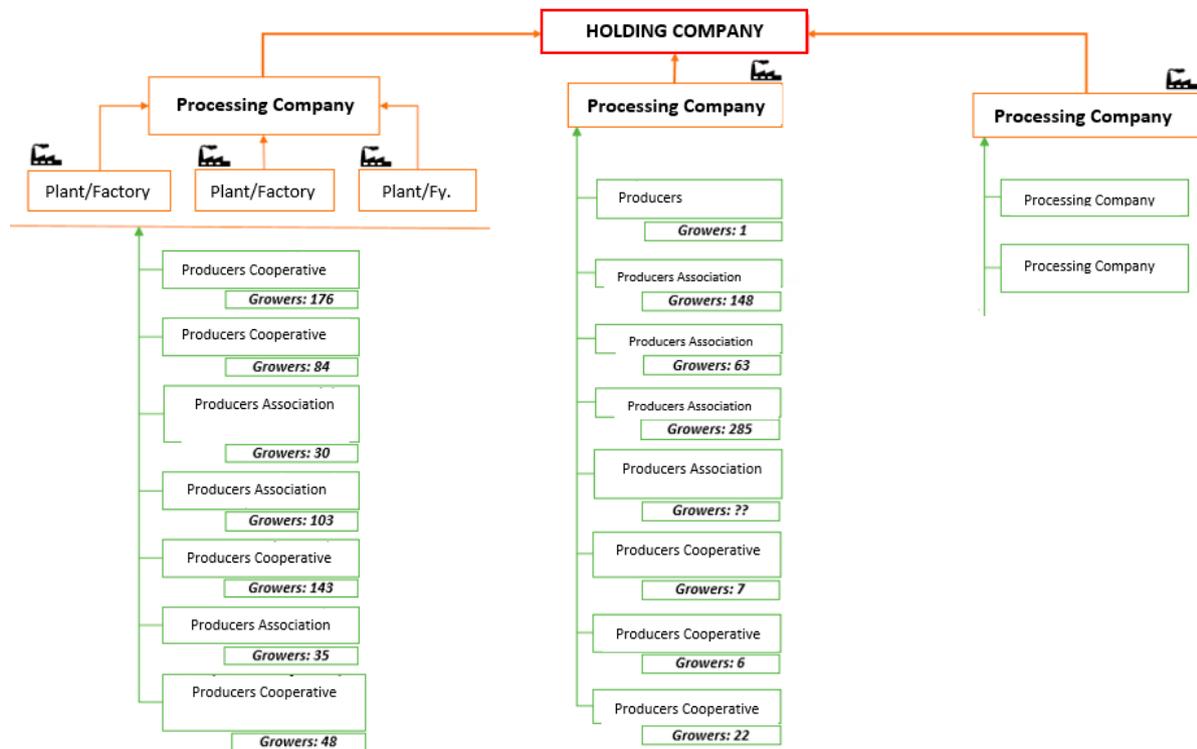


Figure 3 Overview of a processed tomato supply chain in practice

### Leverage in a buyer-supplier relationship

Effective leverage is linked to the buyer-supplier relationship; leverage of retailers and/or premium-brand manufacturers depends amongst others on volumes purchased, buying practises, pricing policies and negotiation attitudes. The leverage of the Dutch retailers and premium-brand manufacturers depend on their individual relations with suppliers and can differ from supplier to supplier. The price setting practices differ to a large extent. Some retailers and premium brands start tenders to establish the buying price for their processed tomatoes before the prices are negotiated between tomato growers and processors. This implies that the buying price can get set at a level that turns out to be too low to even cover the regular production costs of growers. This fact can have a series of knock-on effects for the entire supply chain; when the buying price below the cost price of a processor, the latter will push for cost reductions or budget cuts. This tends to have direct implications to prices offered to the supplying tomato growers. In fact, many producers experience declining supply prices and reducing profitability; some even report selling below cost price for a longer period of time.

Italian growers have reported that production costs have increased in the last couple of years (inputs, land rent, irrigation, depreciation, financial costs). The trend of declining supply prices combined with increasing production costs, leads to a pressure on farmers to cut on other variable production costs, such as wages, especially of seasonal workers. (Branthöme, 2021)

In order to assess what the leverage of the Dutch retailers and premium-brand manufacturers is, ImpactBuying followed the research phases and questions as described in chapter 3.

## 6.1 Overview of facts (Dutch influence on the Italian tomato chain)

What are the facts about Dutch import as part of the total yearly export volume of processed Italian tomatoes (as indicator for Dutch leverage)?

### 6.1.1 IMPORT VOLUMES: THE TOTAL EXPORT OF ITALY VERSUS THE TOTAL IMPORT OF THE NETHERLANDS

The total export volume of processed Italian tomatoes, which include canned tomatoes, frozen tomatoes, and dried tomatoes, is 2,341,687.5 tonnes. While the export volume to the Netherlands, for the same categories is 112,823 tonnes. This is roughly 4.8%. (ISMEA MERCATI, 2020)

An analysis of the Dutch import numbers versus the Italian export numbers, shows that:

- The import of fresh tomatoes and processed tomatoes from Italy differs widely. In 2020, The Netherlands imported just some 644 tonnes of fresh Italian tomatoes and around 113,000 tonnes of processed tomatoes - which is 175 times more than fresh variants (ISMEA MERCATI, 2020).
- The export numbers of sieved tomatoes, highly concentrated tomatoes (over 30%) and whole peeled tomatoes have been rising in the period 2017 - 2020. The highly concentrated tomatoes export flow almost doubled in 2020 compared to the year before (increase of 84%). (ISMEA MERCATI, 2020)

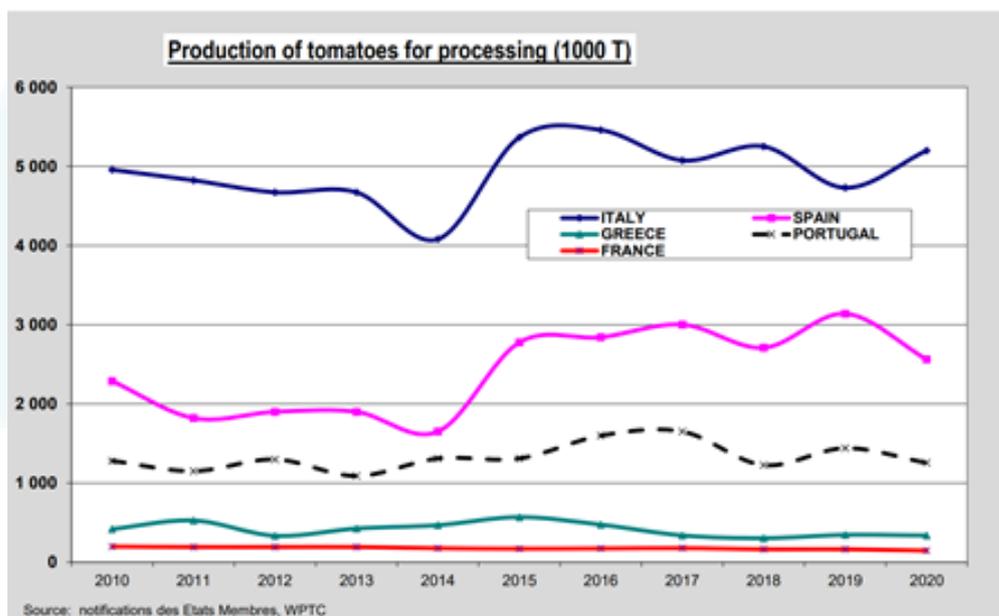


Figure 4 Production of tomatoes for processing

Tomato production in Europe and Italy

Italy is the largest producer of tomatoes for processing in Europe (see annex 10) with in 2020 a production of 5,198,600 tonnes. Figure 4 above shows that Italy has been the main producer of tomatoes for processing. (EU FRUIT AND VEGETABLES MARKET OBSERVATORY, 2021)

#### Volumes from Dutch retailers and premium-brand manufacturers

From interviews with Dutch retailers, private label and premium-brand manufacturers, data was requested to determine their actual import numbers. The buying volume between the different CBL members and premium manufacturers differed largely. Some of the interviewed Dutch companies used their central European buying capacity for buying the processed tomatoes and bundle their volumes. These buying organisations have considerably higher leverage than buyers who purchase for a retailer individually. For a smaller tomato processor, the volumes of one Dutch buyer can be significant, but, with larger processors, the volumes from individual Dutch buyers are not significant.



**The figures show that the total volume of the Dutch retailers and premium-brand manufacturers is roughly 4.8 % of the total export linked to the processed tomatoes. Retailers and premium-brand manufacturers with central buying offices that bundle European volumes have a significant volume in relation to the total exported volume. The volumes of individual retailers and premium-brand manufacturers are small in relation to the total Italian export.**

### 6.1.2 RELEVANT ITALIAN LEGISLATION

*Relevant European and Italian legislation applicable to working conditions of seasonal workers in the agricultural sector in Italy; what do the European and Italian legislations say?*

Relevant research information and collected details regarding this question is given in Annex 11. Based on the information in Annex 11, the conclusion beneath has been created.



**The Italian legislation is in full alignment with the European legislation. Italy has put significant efforts in creating specific legislation addressing issues of exploitation of migrant workers and the role of the 'caporalato'. The Italian government developed a three-year recovery plan with ambitious targets. Enforcement of applicable laws and operational capacity for execution of the inspections on the ground of that recovery plan has not been effective until now (e.g., number of on-site inspections and appointing a recovery plan director).**

### 6.1.3 CURRENT LEVEL OF TRANSPARENCY DATA

*Level of supply chain transparency of the existing Italian suppliers linked to each Dutch retailers and premium manufacturers: what data is available about their Italian processed tomato supply chains?*

For the majority of the interviewed companies, European countries (including Italy) are not identified as high-risk country when it comes to human rights issues and therefore do not fall into the actions linked to their Code of Conduct (CoC) or human rights policies. In many CoCs, suppliers located in high-risk countries are contractually obliged to deliver evidence that they are compliant with the relevant social standards. Italian processed tomatoes are only an identified risk at approximately 40% of the Dutch retailers and premium manufacturers. They all confirmed that the Oxfam Novib publications in 2018 and 2019, and the media attention of a Dutch television program (Keuringsdienst van Waarde) in 2020 and 2021 created more awareness, which resulted in additional measures on transparency for 30% of the interviewed organisations.

There are significant differences among Dutch retailers and brand manufactures when it comes to the level of transparency data that they have available about their Italian, processed tomato chain. Most of the Dutch buying organisations have data from their supply chain until the level of last stage of production (processor), some only know their first-tier supplier (contract supplier) and have no data at all beyond their contract supplier. A few had detailed insight until the level of the cooperative and the related farmers.

After the media attention, some buying parties started projects to collect the data about their tomato supply chains in Italy, often not in a structural manner. Their first steps included mapping their complete value chain from their organisation down to the individual Italian tomato growers. This remains a difficult task as not all contractual suppliers are willing or able to deliver the requested data. The further away from the contractual supplier, the more difficult it is to obtain transparency data.

Not all Dutch retailers and premium-brand manufacturers source their processed tomatoes from Italy. While almost 80% of the interviewed parties source approx. 100% of their processed tomatoes from Italy, the other 20% is sourcing from other (European) countries. One of the reasons given for this change in sourcing countries was the human rights risk in the Italian supply chain for processed tomatoes that have been brought to their attention in these last few years.



**For the majority of the buying organisations Italy is not considered a high-risk country. This implicates that with respect to the requirements in their Code of Conduct or human rights policy that are part of the contract with their contractual supplier there is no specific requirement action requested from Italian tomato processed tomato suppliers. There are significant differences regarding the level of transparency and possession of transparency data linked to the Italian processed tomato supply chain. Some have no data beyond the contractual supplier. Most buying organisations have no insight in their chain beyond the contract supplier or last stage of production. Only a few organisations have transparency data until the level of a cooperative and the supplying growers. Some buying organisations that created a project to get insights in their Italian processed tomato supply chains came across suppliers that were unwilling and/or unable to deliver the data.**

## 6.1.4 QUALITY AND LENGTH OF CONTRACTUAL RELATIONSHIPS

*Quality and length of the business relations of Dutch retailers and manufacturers with their processed tomato suppliers from Italy: is it viable and realistic to achieve a positive change in the processed tomato supply chain given the specific business relationship?*

Yearly tenders and short-term contracts are a common practice. Around 65% of the interviewed Dutch retailers and premium-brand manufacturers state to have a long-term relationship with suppliers, or at least to have a mix of long-term and short-term contracts. The argument for the annual tenders and short-term contracts is the seasonality of the purchased products and the related fluctuating prices.



**All the organisations work with yearly tenders to agree on the price for the coming contract year. The majority (65%) of the organisations work with the same suppliers for many years. This enables the possibility to work together with the supplier to achieve a positive impact.**

## 6.1.5 TRANSPARENCY REQUIREMENTS

*Transparency requirement as part of contractual arrangements: is it clear to Italian first tier suppliers of Italian processed tomatoes what level of transparency and what data are required for their supply chain?*

Within the group of Dutch retailers and premium-brand manufacturers there are significant differences regarding transparency requirements in the contract. The contractual arrangements are between the buyer and the first-tier supplier (contractual supplier) and do not go beyond that. It is the responsibility of the first tier to comply with the requirements in the contract even if these requirements are in the upstream supply chain and beyond their first-tier supplier.

The majority of retailers and premium-brand manufacturers require certification until the level of the last stage of production: the processors. Some have no contractual requirements at all and have complete confidence in their long-standing relationship with their supplier. Others have a contractual requirement to demand access for their inspectors towards the level of the individual farmers.

Around half (50%) of the interviewed retailers and brand manufactures explained that they have a contractual requirement stipulating that suppliers are obliged to enter data in an administrative system or platform that map their supply chain and certifications. This data is verified by an external party. This gives these retailers and premium-brand manufacturers the opportunity to look into their chain and ask certain questions to the suppliers who are in their system. Of this group of retailers and premium-brand manufacturers that collects the data, only 20% has an overview in such administrative system or platform until farmer level, the others until the last stage of production suppliers.

The requirements regarding transparency, food safety and social compliance are, amongst other, contractually linked to their risk classification. Tomatoes from a European country, in this

case Italy, are classified as low-risk due to its geographical location and therefore not in the contractual arrangements. The requirement to have data and transparency linked to the Italian farmers (where the majority of the human rights issues take place) are not part of the contractual arrangement for the majority of the Dutch retailers and premium-brand manufacturers.



**Only 20% do have transparency until the level of the cooperative and/or grower as a contractual requirement. The majority of the Dutch retailers and premium-brand manufacturers have no contractual requirements that requests the contractual supplier to deliver transparency further than the last stage of production. Some have no contract at all. This is also linked to the fact that Italy is not seen as a high-risk country in the risk-ranking system of BSCI\*, which most European retailers follow, with respect to a contractual link with human rights requirements for high-risk countries and therefore do not require evidence of a social compliance report. The level of transparency also depends on the content of a contract, and whether the contract or a Code of Conduct, or Code of Ethics is signed.**

\* The risk classification of countries relies on the Worldwide Governance Indicators (WGI) from the World Bank, being aggregate indicators of governance 1996-2019. These determine the level of risks related to governance in sourcing countries. (High-)risk countries are countries with WGI average rating between 0-60 or three or more individual dimensions rated below 60. [amfori-2020-11-12-Country-Risk-Classification-2021\\_0.pdf](#)

## 6.1.6 REQUESTED AUDITING TOOLS AND STANDARDS

*What standards and audit tools do the Dutch retailers and manufacturers apply to monitor human right issues in their Italian processed tomato supply chain: do the available standards and audit tools provide sufficient insight into human right issues in the Italian processed tomato supply chain?*

Relevant research information and collected details regarding this question is given in Annex 14. Based on the information in Annex 14, the conclusion beneath has been created.



**Most of the Dutch retailers and premium- brand manufacturers use third-party standards. The level of certification requested is however mostly until the level of processing (last stage of production) and mainly focussed on GFSI certification (food safety). Only some have audit requirements on human rights for their Italian processed tomato suppliers. The third-party standards used for human rights that are mentioned are: BSCI, SA8000, SMETA, and GlobalG.A.P. GRASP (Italy module). The analysis of the coverage of these standards linked to the salient issues is summarized in chapter 7.4. It demonstrates that not all the salient issues in the Italian tomato supply chain are part of their criteria. Two organizations have created their own sustainability audit protocol and are conducting audits until the level of the individual farmer.**

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## 7 PHASE 2: MAPPING OF SALIENT ISSUES

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### 7.1 Salient issues identified in the last decade

*Extracting the salient human rights issues from existing research and studies focused on the Italian processed tomato supply chain: what salient human rights issues have been identified over the last decades?*

*Verification of the extracted salient human rights issues in the Italian processed tomato supply chain: cross-check and discuss with relevant stakeholders and experts.*

The salient issues identified can be divided into two main categories, namely forced labour and work- and living conditions. These form the basis for analysis and are thus categorised as follows:

**Salient:**

- Salient 1: Forced labour: human trafficking and exploitation of especially undocumented workers by (international) criminal networks
- Salient 2: Working and living conditions: exploitation of seasonal and unskilled labourers by criminal networks, (il)legal cooperatives and/or growers

### 7.2 Forced labour: recruitment by caporalato and (il)legal cooperatives

Caporalato is the system of a caporale, who is the gangmaster that runs an illegal organisation that provides workers for all types of work. There are two groups of organisations acting as caporalato in Italy. Sometimes the caporalato is directly linked to the illegal activities of the Italian mafia. There are also other (foreign and national) illegal gangmasters active in the supply chain that execute caporalato practices that are not connected to the mafia. This system of caporalato is one of the key features of the main issue: labour exploitation.

Their main income model is based on their role as a (illegal) recruitment agency, by picking up available workers and dropping them at the requesting party (a farmer). For this pick-up and drop service, workers must pay a fee, in other words, a deduction, which can absorb around 40% to 50% of a worker's daily pay. Phones, meals, housing, etc. are also taken care of by some of the caporale. (Joint Ethical Trading Initiatives (JETI), 2015) Because caporale determine who works and who does not, the workers are a weak element who can be blackmailed and thus exploited. (Ciconte & Liberti, SQUEEZED DRY: The Crisis In The Tomato Industry Between Exploitation And Unsustainability , 2016) This is happening on a daily basis, especially during the harvest season and such a practice would constitute forced labour under the ILO's operational definition of 'menace of penalty', 'withholding of wages', and involuntariness'. (OXFAM International, 2019)

Illegal gangmasters, both organised via the mafia or others, can exist because of the demand for a flexible workforce. They are driven by the constant demand and the direct need from farmers to have a flexible workforce to harvest tomatoes for a low price. Exploitative practices are also linked to legal labour agencies (who are acting as a hiring agency). Stakeholders informed us

about the forced labour practices of these legal labour agencies recruiting workforce from India and Pakistan, but they appear to be more active in providing workers for farmers with livestock. This was outside the scope of this HRIA.

A caporale contributes actively to the segregation between the workers and the local population. The criminal organisation becomes the mediator or broker who provides a communication channel between (migrant) farmworkers and local farmers. Most of the time the workers are hired illegally, have no contracts with the caporale or the farmer itself. (Perrotta & Sacchetto, 2014) The caporale (gang-master) takes on the role of protecting the migrant workers who live in unfavourable conditions. Many workers, especially those without documents, also believe that the caporale is the only person that can grant them access to employment. (Perrotta & Sacchetto, 2014) In 2015, FLAI/CGIL (Italian largest trade union), reported that inspections at 8,862 agricultural companies in more than 80 territories, showed over 6000 irregular workers and 713 cases of caporalato. (Placido Rizzotto Observatory, 2016) Their newest report will present the current situation. This report is yet to be published. A study of IOM (discussed in chapter 9.1), also published results on labour inspections in 2020, conducted within their project. (IOM UN Migration, 2021)

In 2018, a report on mafia in agriculture was published. The criminal industry that is using practices, which are in this report defined as 'modern day slavery', is estimated to generate almost 5 billion Euros. (Spigno & Marshall, Labour conditions in the Italian tomato-growing sector, 2017) (Financial Tribune, 2018)

The caporalato system is mostly used during the harvest season and at farms where the tomatoes are still handpicked. When harvesting is done mechanically, the number of workers is significantly lower. Even though this means that the demand for workers is lower and therefore, the role of the caporalato is less, the risk and the actual recruitment by caporalato is still identified. Labour exploitation at sites where mechanical harvesting takes place is existent, despite better agricultural practices and a smaller workforce (Ciconte & Liberti, SQUEEZED DRY: The Crisis In The Tomato Industry Between Exploitation And Unsustainability , 2016). (Bilongo J. R., 2021) (Spigno, Interview about human right issues in the Italian chain of processed tomatoes, 2021)

*ImpactBuying consultant's observations, Sept. 2021, tomato farm near Foggia*

*"As far as labour is concerned, the mechanical harvesting requires 2 tractor drivers, 1 fork-lift driver; 1 combine driver, 1 skilled person at the combine managing the sorter and conveyer belt, some 3 unskilled workers doing the first sorting by hand on the combine, 1 unskilled worker at the tractor card arranging the crates and 1 unskilled worker walking right behind the combine picking up plants that were left untouched. What I see, is that the skilled labourers are from Italian or East-European origin, whereas the unskilled workers are of African descent."*

### 7.3 Work- and living conditions

Within this pillar, the issues concerning working conditions are separated from the issues concerning the living conditions of workers.

### 7.3.1 LOW WAGES

Labour exploitation during the harvesting of tomatoes for processing in Italy is one of the most severe risks that has been reported in the last decade and which is still happening. The issue of low wages within the Italian, agricultural sector, especially within the commodities with short harvest periods, is one of the elements that are part of this labour exploitation.

The right to earn and have an adequate standard of living is one of the Fundamental Rights of the European Union and one of the core principles of the ILO conventions.

There is no minimum wage in Italy. Instead, minimum wages are set through national collective bargaining agreements (NCBAs). These are sectoral agreements made between trade unions and employers associations on a national level which set guidelines, covering hours per week. (Bella, 2019)

Some of the economic sectors that are covered by these agreements include metal work, hospitality, food, and insurance. The average hourly wage covered by these agreements was set at 7.35 Euro an hour, for a maximum of 6.5 hours a day, although it varies slightly across the different sectors. (Oxfam International, 2019) The monthly salary of agricultural workers has been found to be one of the lowest across the sectors, at €874.65 per month. During non-harvest periods, migrant workers' salaries are around 2 to 4 Euros per hour, compared to the standard agricultural minimum wage of just 7 Euros per hour. (Bella, 2019) Some workers reported to FLAI-CGIL that they were paid only 1 Euro per hour and that they had to pay €1.5 for a small bottle of water, €5 for transportation to reach the field and €3 for a sandwich at lunchtime each day. (Financial Tribune, 2018)

Wage rates differ across the country as well between the North and South. For example, the majority of the 20 percent of underpaid agricultural workers live in the south of the country. In general, before COVID-19 as well, unemployment had been falling in the country although this was largely due to the influx of more casual, underpaid work that does not include a permanent contract. (Bella, 2019)

Most of the salaries paid to migrant workers are based on a piecework basis or per task. Workers employed through the caporalato system work between 8 and 12 hours a day, often with no rest day nor breaks and are seriously underpaid. According to the Observatory Placide Rizzotto, migrant workers recruited by caporalato receive a 50% lower salary than the legal salary. (Gallotti, 2020)

### 7.3.2 EXCESSIVE WORKING HOURS

Excessive working hours are common during the peak season, when harvesting must take place in a very short window during the summertime. This issue has a strong correlation with the issue of low wages, as low piecework rates tend to push workers to work at extraordinary hours, without breaks.

While the ILO states that a continuous non-working rest per day of 10 to 12 hours is a minimum requirement, including travel time between home and the workplace, this is very uncommon for this group of workers.

Workers interviewed by several research institutes or organisations mentioned that working hours tend to be between 8 and 14 hours per day, seven days a week. Working hours are often not completely recorded by employers according to the FLAI-CGIL. Especially overtime and holidays are not reported properly, for both work with a contract and without a contract. An interviewed worker states that the days recorded are always half of those worked, while actual working hours are nearly a third longer than that expected. The payslip covers part of the salary, the one formally carried out. Some workers also receive an envelope composed of untraceable money. The forms of exploitation are therefore well-hidden. (Placido Rizzotto Observatory & FLAI - CGIL, 2020)

### 7.3.3 HEALTH AND SAFETY

In the last decade, there were several reports of workers who died while working on the tomato fields, who were killed while being attacked and robbed and who were in a deadly car accident. The number of deaths is still rising on a yearly basis. Recently, Paola Clemente, an agricultural worker, passed away because of the combination of excessive working hours, heat, the relentless pace, lack of emergency healthcare.

During the transportation of workers to farms by caporalato, several car accidents have happened in the past. In August 2018, 16 workers died in two separate road traffic accidents near Foggia. The accidents led to protests by migrant workers in the region, with the message 'No to Slavery'. Recently, several protests have been organized by migrant workers supported by FLAI-CGIL. (Bianchi, 2018) The message during this campaign was Enough = Enough, after another colleague worker had died in the heat. (Bilongo J. R., 2021)

According to Alessandra Spigno, one of the writers of the report of RCG in 2017 (Labour conditions in the Italian tomato-growing sector), caporalato have also been offering bicycles to workers. The quality of these bicycles is minimum, with often no lights, no brakes, etc. (Spigno, Interview on the issues in the Italian processed tomato chain, 2021) Furthermore, several studies reported the lack of access to water, breaks, hygienic sanitation, and personal protection equipment. The combination of excessive working hours, no breaks, the heat in the summer and having no access to water (or against payment to caporalato), is presenting an unhealthy and unsafe situation. (OXFAM International, 2019)

Furthermore, the health of workers is at risk due to the lack of workers access to adequate food when earnings are too low. In the report 'Ripe for change', Oxfam investigated food insecurity of small-scale farmers and workers in Italy in 2017. Four years ago, 50% of the small-scale farmers and workers in the fruit and vegetables sector were severely food insecure. It shows that low wages have a direct impact on the food security of agricultural workers and therefore their health. (Oxfam International, 2018)

### 7.3.4 LACK OF ACCESS TO JUSTICE

Access to justice is one of the Fundamental human rights within the European Union. It is the right to equality before the law. The Rosarno law, described in Annex 11 in chapter 6.1.2, and beneath at *Governmental control*, is of relevance for this issue. The legislation that was created to protect the rights of workers and to improve protection for victims of the caporalato and labour

exploitation are however repressive measures instead of preventive measures. It can only be applied after a case has occurred and has been verified. It requires inspections, which is currently beyond the capacity of the Italian authorities according to FLAI-CGIL. The issues that are caused by national legislation are described in the next chapter: *Governmental control*.

Furthermore, workers reported having little to no access to effective grievance mechanisms offered by any of the companies they supply. The fear to lose their job, is one of the key reasons not to report any complaints.

Additionally, the lack of a written contract makes it more difficult for a worker to accuse the employer of exploitative conditions and to prove what contractual terms were originally agreed, including fundamental terms such as hours and remuneration.

### **7.3.5 RESTRICTION ON FREEDOM OF ASSOCIATION**

The right to Freedom of Association and Collective Bargaining is also one of the Fundamental Human Rights, recorded in the ILO Conventions. In the Italian legislation, the right to form associations freely, without authorization, for aims that are not forbidden to individual by criminal law, is described in article 18 of the Italian constitution.

This issue is created by a very critical element which collides within the Italian law itself and the human right of equality. In order to have the freedom of association, a worker needs a residence permit. This means that irregular (migrant) workers are excluded. FLAI-CGIL and UILA (Italian trade unions) are fighting to improve this legislation and all workers are despite their legal status able to join their union and to protest together with them. (Placido Rizzotto Observatory & FLAI - CGIL, 2020) (JETI, 2015)

### **7.3.6 SEXUAL HARASSMENT AND (GENDER) DISCRIMINATION**

The right of non-discrimination and equality between women and men are both human rights that are in violation due to the risks of sexual harassment and gender discrimination. In the Italian constitution this right is stated as followed: 'Equality of all citizens before the law without difference of sex, race, language, religion, political views, personal and social position.'

The issue of gender discrimination regarding difference in salary is a sector wide issue, in Italy and world-wide. In the Italian fruit and vegetable sector, Oxfam estimated that in 2019 women were paid around 20 to 30 percent less than men for the same work. They are furthermore more vulnerable to the power and the exploitation of caporalato. Sexual exploitation and harassment have both been reported for many years. Because caporalato sometimes own the accommodation or accommodate workers, this group of female workers is even more vulnerable.

Migrant workers are more likely to face higher levels of discrimination and exploitation. Italy was one of the countries in which the EU Agency for Fundamental Rights found that 'particularly exploitative employment relationships' of workers from other countries 'was perceived by experts as the most frequently occurring form of severe labour exploitation.' (European Union Agency for Fundamental Rights, 2015)

In 2017, the report 'Raped, Beaten, Exploited' was published. In the report a cruel situation was shown. Romanian women who migrated to Sicily for agricultural work reported being 'raped, beaten and exploited.' The organisation estimated that 'more than half of all Romanian women working in the greenhouses were forced into sexual relations with their employers'. This shows that the risks in the fruit and vegetable sector are severe. (Tondo & Kelly, 2017)

### 7.3.7 POOR LIVING CONDITIONS

Next to poor working conditions, many (migrant) workers live in accommodations that are poor, unsafe, and unhygienic. The informal houses are also known in Italy as ghettos. The ghetto often consists of tents, huts made of plastic sheeting, with no or minimal running water, electricity, and sanitation. In a ghetto in Foggia, in the mid-south of Italy, approximately 2,000 people were living there in the peak season, far away from the centre of the city, under conditions that are according to Doctors for Human Rights (Medici per i Diritti Umani) a dramatic framework of a humanitarian crisis.

Caporalato maintain the ghetto, by asking such a large part of the worker's salary and requiring them to make use of 'the housing' in order to get, and to travel to work. Every morning, caporalato drive to the accommodation to pick up workers who are waiting and drive them to the requesting farmer. Every night, they drop the workers again at the accommodation, receiving sometimes even up to 40% of the wage of the worker.

Other workers are reported to be homeless or to live in abandoned houses in the region. Their living conditions are similar to the situation in the ghettos. All groups are insecure about the duration of their stay, because the regional and national governments have been expressing their wish to evacuate and remove the ghettos and act on illegal stay in abandoned houses. (Spigno & Marshall, Labour conditions in the Italian tomato-growing sector, 2017)

Domenico Perrotta and Devi Sacchetto reported in their article 'Migrant farmworkers in Southern Italy: ghettos, caporalato and collective action' that the segregation of housing is a central factor in the management of the labour market and workforce. The ghettos and the segregation of migrant workers and the local community, and the 'success' of caporalato is caused by 4 factors: 1) migrants live in often difficult to reach settlement far from population centres and closer to work; 2) public job centres do not provide an efficient mediation between workers and employers; 3) migrant live in ghettos also in an attempt to rebuild community bonds with their nationals, while in towns they would be afraid of racism and violence and; 4) the migrants are considered as people with no legal rights, neither by employers and governmental institutions. The above factors are geared towards maintaining the situation and thus maintaining the human exploitation. In fact, this turns out to be effective in that sense as for many years the situation

has been maintained and the exploitation has continued with hardly any changes, if at all. (Perrotta & Sacchetto, 2014)



**Temporary workers performed by (undocumented) migrant workers play a role in an estimated 25% of the total group of temporary workers. There are several salient issues identified for this group of migrant (undocumented) workers. The issues are: forced labour, low wages, excessive working hours, health and safety risks, lack of access to justice, restriction on freedom of association, sexual harassment and (gender) discrimination, and poor living conditions.**

## 7.4 Governmental control

*Italian governmental control mechanism on these salient human rights issues in the processed tomato supply chain: what is the level and effectiveness of governmental control regarding these salient human rights issues up to the level of tomato farmers and their workers?*

### 7.4.1 THE SEASONAL PERMITS SYSTEM

In 2010, a study was published by the International Organization for Migration (IOM). The IOM stated that in several areas in Southern Italy the number of authorisations for seasonal work which led to the issuing of seasonal residence permits ranged only from 6.8% to 28.7%. In other words, the majority of non-EU migrants, arriving in Southern Italy regularly on the basis of a promise of seasonal employment guaranteed by an employer based in Italy, were not able to sign their residence contract and obtain a residence permit after their arrival, causing severe issues regarding their immigration status. According to IOM, this seasonal permit system is weak because of two reasons.

First of all, many 'employers' do not actually intend to employ a migrant worker. These 'employers' are part of illegal organisations (caporalato) who want to sell the documents needed to enter Italy to migrants. (IOM, 2010) During the investigation, IOM interviewed several migrants who described having to pay up to 10,000 Euros to smuggling organisation in Egypt, Morocco, India, and Pakistan to buy an authorisation allowing them to enter Italy. (IOM, 2010) This was two years later confirmed by Amnesty International. (Amnesty International, 2012)

Secondly, the seasonal permit system is ineffective because it only allowed to apply migrants living outside of Italy, looking to move temporarily for work to Italy. Agricultural employers prefer employing migrants already in Italy. This is because the procedures of the seasonal permits system are long and bureaucratic. Another important argument is that there is a large workforce of migrant workers already available in Italy.

Currently, nine years later, the problems of issuing seasonal permits is still being reported. The Italian producers have been requesting a well working permit system because they are afraid that (due to COVID-19), there will not be enough workforce. According to Coldiretti (main Organization of Agricultural entrepreneurs in Italy), more than 25% of produce are picked by migrants. Therefore, they requested in a public letter to extend the issuing period for seasonal permits for migrant who are already in the country. (ANSA, 2021) (ANSA, 2021)

## 7.4.2 INEFFECTIVE WORK MIGRATION SYSTEM/CHANNELS

The migration policies were first shaped by the 1998 Consolidated Act on Immigration and were amended by the 'Bossi-Fini Law' in 2002. The laws have three key principles.

First of all, the number of migrant workers admitted to Italy every year is determined in a governmental decree, which sets maximum quotas for different types of workers by nationality. The goal is to regulate the demand for foreign labour by producers, while also limiting the number of immigrants. (Art. 3.4, Consolidated Act on Immigration)

Second, the issuing of a residence permit is dependent on the existence of a written contract of employment, as guaranteed by the employer. Non-EU migrant workers who would like to work in Italy are allowed to enter the country only if they arrive with an approved 'residence contract', signed by an Italian employer. Even when the employer is willing to cooperate when a worker wants to apply for a 'residence contract', residence permits for contracted or seasonal work cannot legally be issued to migrant workers who are already in Italy irregularly. (Amnesty International's interview with Emanuela Borrelli, 2012)

The third principle is the expulsion of irregular migrant. Expulsion, and, since 2009, criminalisation, is the only available institutional response to irregular entry and stay. As a result, a system of administrative detention was put in place with the purported aim of ensuring the implementation of expulsion orders.

The Bossi-Fini Law has been criticised over the years because it requires a formal employment contract to obtain a residence permit. For migrant workers, who are already at risk of labour exploitation, this increases their risks and vulnerability even more. The migrant workers are dependent on the willingness and cooperation of their employer. The power the employer has to determine the migration status can easily become a tool to intimidate or blackmail workers, making it more difficult for workers to negotiate better wages or working hours. (Amnesty International, 2012) (ERRC, 2002)

In 2009, the regularisation focused entirely on the employer, with no role at all for migrant workers, who was not entitled to actively participate at any stage of the regularisation procedure. The migrant worker was again fully dependent on the willingness of its employer. (Amnesty International, 2012)

## 7.4.3 NATIONAL LEGISLATION ISSUES

Under the International Labour Organization (ILO) Migrant Workers (Supplementary Provisions) Convention of 1975 (No. 143), which Italy ratified in 1998, migrant workers in an irregular situation have the right to equality of treatment in respect of rights arising out of past employment regarding remuneration, social security, and other benefits. However, the risk of migrant workers becoming a victim of labour exploitation is still present.

Several reports consider the Italian authorities' failure to ensure justice for victims of labour exploitation is result of shortcomings in Italian migration policy, in the legal framework and in the enforcement system, set up to protect workers from labour exploitation. Measures aimed at implementing Italian migration policy, such as criminalising irregular migration and charging labour inspectors with migration control enforcement, create obstacles to the realization of the

right of migrant workers in an irregular situation to seek and obtain a remedy for violations of their human rights.

On the other hand, measures intended to protect workers from labour exploitation, for example the 'Rosarno Law' and the criminalisation of caporalato, are ineffective. In 2012, the Italian government adapted the 'Rosarno Law' fulfilling the implementation of the European Union directive on sanctions and measures against employers of illegally staying non-EU nationals. The law even increased the risk to migrant workers becoming a victim of labour exploitation. (Amnesty International, 2012) Every irregular migrant is because of this 'illegal entry and stay' policy afraid to report any abuse. Because any irregular migrant wanting to report abuse, including labour exploitation, faces the risk of exposing him- or herself to the danger of being reported, charged, and even detained and ultimately expelled. (Amnesty International, 2012)

#### 7.4.4 LABOUR INSPECTIONS

Finally, the lack of inspections is an issue linked to the enforcement of the Italian legislation. This has been one of the key learnings during the interviews with stakeholders. Even though these laws do exist, the effective enforcement is limited because the number of planned inspections to do the work is still behind schedule.

In Italy, the administrative body responsible for controlling labor legislation is the National Inspectorate of Labour, which is subordinated to the Ministry of Labour and Social Affairs. According to a paper of Solidar, published in 2018, the labour inspectorate was facing a chronic lack of resources, which caused the decrease in random monitoring and directing controls in for example the agricultural sector. (Iannuzzi, Saccheto, Vianello, & Wahal, 2018)

FLAI-CGIL explained that regarding enforcement, there is an official group of national inspectors who check the labour conditions at production sites. There are far more production sites than inspectors and "it would take years with this number of inspectors to visit all production sites." In many cases, the inspections show problems in working hours and working conditions that are legally stated".

Because this number of inspections is low, farmers have been reluctant to make any changes regarding the issues that are identified over the last few years. According to CGIL-FLAI their argument is that the chances are low that an inspector is actually visiting a specific site. (Bilongo J. R., 2021)

According to the research of Solidar in 2018, there were only 3,161 inspectors, including 343 police officers. On a regional level, the paper showed the case of Padua (located in the North of Italy, close to Venice). The inspectorate staff in Padua consisted of only 30 active inspectors, who were able to carry out 60 procedures per year. As a result, in 2017 the office conducted between 1350 and 1600 inspections, covering less than the 5% of companies recorded in that province. (Iannuzzi, Saccheto, Vianello, & Wahal, 2018)

Improving the enforcement is part of the Recovery Plan the Italian government developed to fight the hidden 'caporalato'. This plan is one elements of policy reforms and investment in labour/employment, mainly developed because of the published recommendations of the EU Commission to do more against irregular work. The first target is to determine the number of inspections, and gradually increase this number with 20% before the end of 2024.

The plan envisages four focus points: 1) build upon the experiences of the Three-Year Plan (2020-2022) 'Combating exploitation of workers in the agricultural sector and of caporalato'<sup>8</sup>; 2) increase knowledge of the 'black' phenomenon; 3) improve the collection techniques and methods of sharing data on undeclared work; 4) introduce direct and indirect measures to transform undeclared work into regular work, so that the benefits from operating in the regular economy outweigh the costs of continuing to operate in the irregular economy. The Recovery Plan also provides indicators to be able to measure the effectiveness of the actions with regards to regularizations that have taken place. In the Recovery Plan the emphasis is on strengthening the National Labour Inspectorate with expanding from 4,500 to 6,500 inspectors in the coming months. (Dutch Embassy - Rome, 2021) (Il Fatto Quotidiano, 2021)

However, in July 2021, the initiative was still looking for a director to lead the above-mentioned Three-Year plan. Therefore, scaling up the investments in inspections or other pillars had been slowed down according to CGIL-FLAI. (Bilongo J. R., 2021)

Besides the low number of inspections, another issue has been explained by FLAI-CGIL. In Italy, there is legislation and enforcement on national, provincial, and regional level. Because there are many parties involved, the organisation of enforcement is fragmented. Altogether, the enforcement of the laws is limited and the risk of exploitation remains high. (Bilongo & Ruffalo, 2021)



**During the last decade, the Italian legislation has been updated with new laws, and new elements have been added to existing laws. Within the legislation, the seasonal permit system and Bossi-Fini law could potentially increase the level of vulnerability, while it was created to improve the situation of workers and migrants. Furthermore, the enforcement capacity remains a critical problem.**

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<sup>8</sup> The Three-Year Plan (2020-2022) is created to fight the exploitation of agricultural workers and fight the 'caporalato' by introducing a national strategy. This strategy has 10 priorities for strengthening the Network of Quality Agriculture (La Rete del lavoro agricolo di Qualita): improving supply and demand of labour, living conditions, transport solutions, protection of victims, etc. (Ministero del Lavoro e delle Politiche Sociali, 2020)

## 7.5 Assessing the role and impact of external organisations

*Assessing the role and impact of labour unions, NGOs, and industry associations: what is their influence when it comes to the salient human rights issues in the tomato supply chain?*

Research information and details regarding this question is given in Annex 13. Based on the information in Annex 13, the conclusion beneath has been created.



**The influence of NGOs, the trade union FLAI-CGIL and industry associations such as ANICAV and Coldiretti is significant. The pressure on supermarkets created by NGO's and FLAI-CGIL is high, with campaigns focused on the issues in the agricultural sector in general and on processed tomato in particular. As a result, the issue is in scope in the tomato industry and received a lot of attention. However, the pressure has not been translated in eradicating the issues on the ground. The issue of undocumented migrant workers is complex and not exclusively linked to temporary work within the tomato harvest but also appears in supply chains of other crops. There is limited effect of this pressure at farmer level; farms hardly receive any questions or requirements from parties higher up in the chain.**

## 7.6 Coverage of salient issues by audit tools and standards

*Cross-check the criteria of the first-, second- and third-party audit tools with the actual list of salient human right issues: to what extent do audit tools monitor the salient human rights issues as reported?*

In this chapter, the salient issues that have been identified in the Italian chain of processed tomatoes are compared with the criteria set by the standards that Dutch retailers and premium-brand manufacturers use to cover requirements. Dutch retailers and premium-brand manufacturers rely on the standards for retrieving information of their suppliers on food safety and social compliance requirements. That is why this analysis has been added to this impact assessment.

This section looks into the audit criteria of the individual sustainability standards available within the Italian processed tomato sector. For each risk identified in the list of work- and living conditions, the standard is analysed to see whether there is a criterion that covers the risk where the issue happens (on the farm). Each risk is given a score based on the extent to which the standards cover the risk.

More information and details regarding this question is given in Annex 14. Based on the information in Annex 14, the conclusion beneath has been created.

### 7.6.1 CONCLUSION OF COVERAGE OF ISSUES BY STANDARDS

Each individual standard has been analysed with the aim to determine the actual coverage of the identified issues by that specific standard.

The actual coverage of the issues identified differ significantly between the standards. This has to do with the extent to which migrant workers and recruitment via caporalato are included in the criteria of a standard.

**amfori BSCI** scores medium, with 4 criteria that cover some of the identified issues. The definition of migrant workers, and whether they are covered when the manual refers to seasonal workers, is to be assumed. Furthermore, the recruitment of workers via a caporalato, which is in other words recruitment by a criminal organisation, is not covered well in the criteria of BSCI.

**SA8000** is partly covering the issues identified. It is however unclear whether migrant workers are well protected and checked by the standard and whether recruitment via caporalato are included in the term 'entities that supply labour'.

**SMETA** auditors are required to check specific elements for migrant workers with regards to recruitment, understanding of contracts, deduction of wages, access to grievance mechanisms, and discrimination. Other criteria that are created to cover the issues with low wages, excessive working hours, forced labour, health and safety on the site and transportation, and freedom of association do have criteria in the SMETA Guidelines, but they do not refer to migrant workers.

The **GRASP add-on of GlobalG.A.P.** (Italian module) does have critical control points in place that cover most of the risks for the identified issues. GRASP auditors in Italy have to interview workers during their visit and cross-check information with evidence, in order for a producer to receive a positive assessment. Migrant workers are included in the sample group and auditors must take additional measures to cover all types of employment and migratory statuses.

However, the coverage of the issues for migrant workers (and workers), recruited via caporalato, are more complex and need clearer/extra criteria, to make sure this group is also checked during an audit. The issue of recruitment via caporalato (an unofficial recruitment agency) is not covered at all in this module but is a "soon to come" element.

More detailed information of this analysis can be found in Annex 14. Based on the information in Annex 14, the conclusion beneath has been created.

## 7.6.2 COVERAGE OF SALIENT ISSUES BY STANDARDS

There are large differences between the 4 standards analysed in this assessment. First of all, not all standards are explicitly designed to audit (smallholder or large) farms. Because most issues and risks occur at farmer/producer level, coverage of issues at farm/producer level have been the area of focus in this analysis.

Amfori BSCI and SA8000 are both currently more focused on the assessment of processors/packing/manufacturers. Amfori BSCI is creating an assessment for smallholder farms and large farms, however this has not made public yet.

SMETA and GLOBALG.A.P GRASP are tools that are mostly designed to assess farms/producers. GLOBALG.A.P. GRASP is the most used add-on standard to audit producers and has created an Italian module, addressing national issues.

GLOBALG.A.P. GRASP (Italy module), is according to our analysis, the best scoring standard of the four standards. Risks related to the identified salient issues are minimized by the use of this

standard at farm/producer level. It is however recommended to take additional measures to cover all risks, because the standard cannot assure that there are no cases of exploitation of migrant workers hired via caporalato (including deduction of wages, long working hours, no contractual agreements, unsafe transport, and poor living conditions).

PROS: Auditors are required to interview all types of workers (including migrant workers) and need to see evidence regarding all topics checked during an audit. This makes GRASP stand out.

CONS: The add-on makes however use of a self-declaration form that the management and the employee representative must sign, that assures good social practice and human rights of all employees (commitment to ILO core labor conventions). Even though an auditor will still check critical control points related to the ILO core labor conventions, a signature does not minimise or remove any risks. Furthermore, the current version only requires auditors to investigate recruitment of official recruitment agencies. This is will be included in the updated version according to GLOBAL.G.AP.



**In general, all standards have criteria that cover the risks identified. However, the specific risks are the highest for the group of (undocumented) migrant workers and their recruitment through illegal gangmasters. These are not covered at all in the third-party standards, and/or remain unidentified in the audit report.**

**GLOBAL.G.A.P. GRASP is already active in Italy and covering most of the identified issues and related risks. There is still some work in progress with regards to interviewing workers that are hired via a caporalato.**

## 7.7 Identifying the living wage gap

*Identifying the living wage benchmark and living wage gap following the IDH Living Wage roadmap. The ambition is to ensure compliance with laws and regulations (e.g. working conditions, working hours, collective labour agreement, social security).*

The Dutch Sustainability Trade Initiative IDH has developed a living wage roadmap that is supported by many retailers, brands and producing organisations around the world. This roadmap includes the IDH Salary Matrix that allows farmers and producers to calculate the difference between what they actually pay their workers and what they should be paid to earn a living wage. Trained auditors can verify if the farmer or producer actually calculated the living wage gap in the right way and write down their findings in a base report. Part of the instruction to the farmers and producers is that they have to check the actual payment to the seasonal workers even if they are hired via an agency. The number of hectares of a farmer versus the number of workers would give a good indication if the farmer has entered the IDH Salary Matrix correctly, which auditors are trained on to use during their verification of the living wage gap on-site. The goal was to test the verification of the living wage gap with the IDH tools with an Italian tomato farmer.



Figure 5 Living Wages in Italy (2015) by WageIndicator.org

### 7.7.1 LIVING WAGE GAP IN ITALY

In Italy, the average hourly wage covered by collective bargaining agreements is around 7 euros an hour although it varies slightly across the different sectors. The monthly salary of agricultural workers has been found to be one of the lowest across the sectors, at €874.65 per month. Looking at the figure of WageIndicator on the left, showing the living wages in 2019 (most recent data), this

would mean that a worker would not be able to support a typical family or standard family with the minimum wage set in the CBA.

Low wages are one of most systematic salient issues identified in this impact assessment, especially for migrant workers. Some workers explained to Oxfam to only earn €2,00-€4,00 per hour, and research has showed that on average migrant workers hired via caporalato earn 50% less than other workers. (Placido Rizzotto Observatory & FLAI - CGIL, 2020) These wages compared to the minimum wage in the CBA and the living wage in figure 5, show a much larger gap.

However, living wage gaps calculated at the actual farms would have shown a more accurate picture. This is why, ImpactBuying aimed to have a pilot at one Italian tomato grower.



**During the assessment, there has been contact with Italian tomato growers about conducting a pilot to fill out the IDH Salary Matrix. The grower was requested to register the working hours and the wage paid to temporary workers, even if they are hired via an agency. This creates awareness at the level of the farmer and gives insights in the potential living wage gap. There was no grower willing or able to invest time unless there was a customer requirement or a financial contribution for their participation, thus covering their time and energy investment. The search for funding has not been successful and this is why this element has not been further investigated.**

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## 8 ROOT CAUSE ANALYSIS

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The salient issues that are identified in chapter 7.2 and 7.3 are in this step analysed to map root causes. This is based on a literature study and consultation with relevant experts and supply chain stakeholders.

### 8.1 Root causes

*Identifying the root causes to the identified human rights issues in the Italian processed tomato supply chain.*

*Analysing in-depth the root causes to these human rights issues in the supply chain.*

#### 8.1.1 MIGRATION PUSH FACTORS

Many of the migrant workers that are active in the agricultural sector of Italy are entering Italy from poor, unstable or conflict-ridden countries where they experience violence, forced marriage, intolerable discrimination or extreme hardship caused by deep poverty. Environmental factors can also cause people to leave their country and enter for example Italy. (European Parliament, 2020)

According to ILO, migrant workers are defined as people who migrate with a view of being employed and try to escape situations in their country of origin that are unstable and dangerous.

From January to September 2021, 42 thousand migrants arrived by sea in Italy. Amongst the most frequent countries of origin declared upon arrivals in 2021, Bangladesh and Tunisia ranked first. (Statista, Number of immigrants who arrived by sea in Italy from 2014 to 2021, 2021) (Statista, 2021)

Furthermore, globalization is both a push and a pull factor. Globalization is defined by Anthony Gidens as 'the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa.' According to Thanos Dokos in the paper 'Migration and Globalization – Forms, Patterns and Effects', there is a clear connection between globalization and population movements, especially migratory ones. Globalization causes migration and migration contributes to the intensification of socioeconomic and political relations across borders. Via social media, youth in developing countries are informed about the income and development in the EU, while they are lacking economic opportunities in their own country. (Dokos, 2017)

It can be the last push for migrants to leave their country and try to find employment in Europe. By keeping up the positive story to people back home, migrants are even more vulnerable to human trafficking and exploitation. Migrants can be tricked into exploitative labour agreements offered to them by criminal organisations (caporalato in Italy). As mentioned, caporalato promise migrants contracts and pose as employers to trick migrants into coming to Italy. Migrants are promised a seasonal permit, and therefore a legal status, however, on arrival this turns out to be a scam. Caporalato then offer them fake seasonal permits, but for a high price. These practices

already take place in their country of origin, where human traffickers promise a permit once arriving in Italy.

### **8.1.2 POINT OF ENTRY IN EU AND DUBLIN REGULATION**

As a result of the EU 'Dublin Regulation', asylum seekers entering the EU without a valid visa and without family ties elsewhere in Europe, must apply for refugee status and have their application processed in the first EU member state in which they arrive. (Oxfam International , 2019)

However, this may not be the intention of the non-EU migrants upon their arrival. The group of non-EU migrants can therefore be categorized into two groups: 1) migrant workers who want to become Italian residents (stayers) and 2) migrant workers who want to return to their country of origin or want to travel onwards to other European countries (potential leavers). There are significant differences between the two groups in terms of attitude on working conditions, level of complaints and potential reporting of exploitation, proposed solutions, and level of commitment to become registered in Italy.

Exploitative conditions should in no case exist, however, the Dublin Regulation does cause a segregation of workers who want to earn some money and move to another country and the ones who would like to be able to apply for a residence permit and want to be protected against these exploitative conditions.

### **8.1.3 FEAR OF UNDOCUMENTED WORKERS TO BE EXPELLED**

Being in Italy without regular immigration status (i.e., without a valid visa and work permit) is a criminal offence. Undocumented migrant workers can therefore be expelled and/or could receive a fine when they are detected during an inspection. The fear to be expelled is high, this is one of the main reasons why undocumented workers who are working under exploitative conditions and are forced to work by caporalato, are hesitant to report such cases. Even though undocumented migrant workers who report labour exploitation or a case of caporalato are according to the law protected, meaning that they will receive a permit after the case is determined in court, undocumented migrant workers remain afraid.

Furthermore, exploitative labour arrangements can persist because labour conditions for migrant workers are poorly kept and controlled by authorities or sector organisations. As mentioned before in chapter 7.4.4, labour inspections are still limited. This is one of the reasons why producing organisations have not changed any labour practices yet, because the chance of a labour inspection is small.

### **8.1.4 CRIMINAL PRACTISES ENABLING AND ENDURING LABOUR EXPLOITATION**

The caporalato (mafia) and other gangs are well established and have entered the migrant labour market in force. (Oxfam International , 2019) In most cases, mafia/criminal organisations/caporalato are involved in the issue of human trafficking. (Placido Rizzotto Observatory, 2016) In previous studies, criminal organisations have reported that they can make

more money from migrants than from drugs. (Nadeau, 2018) Criminal organisations are often causing the exploitation of workers, however, their presence in the sector as a labour supplier is a response on the push factors in developing countries and the demand for cheap labour on the Italian side. In short, the criminal activities are prompted by the need for very flexible workforce, especially when the product is perishable. (daSud -Terra!, 2015)

Only 2.2% of the Italian companies use recruitment agencies for recruiting staff. Family and friend connections are the main source of recruitment (60%). (Centro per l'Impiego e Agenzie del Lavoro: quali differenze ci sono?, 2016) That is because the Italian employment centres are currently not equipped to meet agricultural sector demands (meeting supply and demand, transportation, etc.). (Spigno & Marshall, Labour conditions in the Italian tomato-growing sector, 2017)

### 8.1.5 PRICE COMPETITION IN AN INTERNATIONAL CONTEXT

#### Declining prices

Export prices for Italian processed tomatoes are unstable and, according to Italian producers and farmers, not reflecting the real price. Factors creating this pressure for lower prices are the emergence of international competition, especially from China, but also from Spain. If the Italian suppliers are not competitive with their price, they face the risk that buyers will move to other processing countries. Italy also faces long-standing challenges with European over-production of agricultural products, increased buying volume and buying power of large retailers or retail consortia, and the relatively low productivity of Italian tomato producers by international standards. (Oxfam International , 2019)

There is a “supply and demand” mechanism needed to allow the gangmasters to be successful. And even although farmers know it is against the law to use illegal gangmasters for providing a workforce, some farmers still make the choice to use gangmasters to provide a flexible and cheap workforce.

#### Consumer behaviour

It is often said that a consumer ‘speaks with their heart but buys with their wallet’. In the tomato section in a retail shop, consumers that want to make an informed decision on buying a tomato product that was produced ethically have no option to make a distinction between products that were produced with respect for human rights or not. As they cannot make that distinction at this moment, price is a leading buying argument for consumers.

Also, in the Dutch retail market consumers are used to low prices for their food and are known for their sensitivity for promotions like ‘two for the price of one’. Category managers/assortment managers and their buyers therefore have to make sure that they serve consumers with a low-price product as part of their assortment. As the ‘price to match’ is often a reference product from the discounters who are capable to bundle their European volumes and buy centrally. The guarantee that many retailers promise to their consumers that have the ‘lowest price’ reference provokes the ‘race to the bottom’ when it comes to price negotiations.

#### Buying practices

With regards to buying practices, Dutch retailers and premium-brand manufacturers have confirmed that they have yearly tenders with often long-standing suppliers. Many retail tenders

for the processed tomatoes take place before the Italian processing Industry and farmer association have set their prices. During the interviews it was confirmed that the lowest reference price set by a discounters for a certain processed tomato product is leading for other retailers. Discounters bundle their European volumes and therefore often have a bigger leverage to negotiate a lower price. Buyers with smaller buying volumes will try to search for suppliers that are able to give the lowest price possible. Some tomato products of retailers are offered to the consumer below cost price to provide the consumer with a low-cost product. Often, the lowering of the buying price (in real terms) has been passed on from the importer to processor, from processor to tomato grower, and from tomato grower to labourer. Farmer associations indicated that the main variable costs they have is the seasonal labour; as a result, some growers ventured into cost saving measures on undocumented seasonal labour, thereby increasing the negative impact on workers and other people involved. Interviewees described this as a race to the bottom of cost pricing.

*Anonymous tomato grower, Sept. 2021, near Foggia*

*"The continuous sales price pressure pushed us to save on labour costs. This is how we started mechanised harvesting. We have quite some hectares of land, but we rent more land. We must harvest high volumes of tomatoes to make up for the investment in a combine and for payment to the bank. A tractor can be used for many things, but this combine can only be used for tomato harvesting and the tomato period is only 2 to 3 months a year and after growing tomatoes, we cannot come back to the same field until the third year. Now, though mechanisation has helped, we still feel the sales price pressure.."*

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### Lack of transparency

Within the chain of Italian processed tomatoes, transparency until the level of the farmer is not a common practice yet. Farming organizations confirmed that, except some questions coming from the Italian Supermarket Coop and Esselunga, they never received (contractual) questions from their cooperatives or other buyers to give transparency about the way they treat their workers and if they work with migrant workers or not.

The lack of transparency until the level of the farmer and the way they treat their workers is part of the reason that issues remain unidentified and cannot be addressed by buying organizations. On both the growers, associations/cooperatives, producing organisations/processors side and on the side of the buying organisations, requesting transparency is minimal. It is often unclear to buyers who is producing 'their' tomatoes and what the status is on the primary production sites. Because buyers often only have transparency until the last stage of production, the issues in the first mile are unknown and malpractices can persist.

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### Lack of available supply chain data

Interviews show that most of the Dutch buying organizations do not have this data available about the supply chain beyond the last stage of production. As the issues with tomatoes are mainly on the level of the Italian farmers, data till that level needs to be available. When organizations have insights in the supply chain beyond their first tier until the farmer, they can start to collect objective evidence to see if they have issues in their supply chain.

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## Lack of coverage from Social Compliance standards

Auditors that audit against Social Compliance standards or Code of Conducts (1<sup>st</sup>, 2<sup>nd</sup>, or 3<sup>rd</sup> party auditors) play an important role in the collection of facts about the human rights situation at the location of a supplier. The majority of the current standards used by the Dutch buying organizations collect limited information about the issue of migrant workers. Due to this lack of coverage, the Dutch retailers and premium-brand manufacturers have no insights in the situation with respect to migrant workers, and in whether these criteria are included in the scope of an audit and/or whether this can be found in an audit report.

### 8.1.6 ATTRIBUTION TO HUMAN RIGHT IMPACTS

*Attribution of supply chain actors to the human rights impact: what is the level of indirect attribution of Dutch retailers and manufacturers to the human rights impact?*

Research information and details regarding this question is given in Annex 15. Based on the information in Annex 15, the conclusion beneath has been created.



**The issues of (undocumented) migrant workers that desperately search for ways to survive and gangmasters making use of the situation is a systemic issue for many countries around the world and therefore not specifically for Italy. It is beyond the sphere of influence of the Dutch retailers and Dutch premium brand manufacturers to eliminate the existence of caporalato in Italy or prevent (undocumented) migrants to get into Italy and search for ways to earn money.**

**There is a “supply and demand” mechanism needed to allow the gangmasters to be successful. And even although farmers know it is against the law to use illegal gangmasters for providing a workforce, some farmers still make the choice to use gangmasters to provide a flexible and cheap workforce. The argument often shared during the interviews is that the prices the farmers receive for their tomatoes are too low to cover the cost price. Temporary labour is one of the few variable cost a farmer can cut down and as the chances of getting caught by a labour inspector is small, some farmers decide to use the services of the illegal gangmasters.**

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## 9 INITIATIVES THAT ADDRESS HUMAN RIGHT ISSUES IN THE TOMATO INDUSTRY

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In the last decade, several studies have conducted about the human right issues in the Italian processed tomato chain. This has been the starting point of the impact assessment, by reviewing these during the literature analyses. Even though the issues are still occurring, several initiatives have been launched in the last couple of years as an answer to those publications.

### 9.1 Initiatives launched to address the human rights issues and root causes

*Exploring major initiatives that have been launched to address the root causes: what initiatives have been set up over the past decades to tackle these root causes and how effective have they been?*

- **Pomodoro NoCap** 

The International Association NoCap was founded just after the first protests of farm workers against poor working and living conditions in the Southern Italian Region Apulia (Lecce). The organization launched the 'bollino' (recognition label) 'NoCap' for agricultural companies and processing plants. After local inspectors visit the site for the certification body DQA accredited by the ITA Ministry of Agriculture and Accredia, agricultural companies and processing plants receive the recognition label 'NoCap'. (Good-Land, n.d.) (Dutch Embassy - Rome, 2021)

Iamme is the first 'ethical chain' against the phenomenon of 'caporalato'. Agreements between distribution chain Megamark di Trani (with 500 affiliated supermarkets), international association against caporalato NoCap and Rete Perlaterra expanded in 2020 with the distribution chain Aspiag Despar (North-East) with almost 600 points of sale. The collaboration NoCap and the Ethical Quality Label 'IAMME' aims to: 1) combat caporalato and illegal work in the agricultural sector in general; 2) guarantee a fair price for producers; and 3) respect labor rights by starting with collective labor contracts. In addition, they aim to increase awareness among consumers when purchasing products. About 20 companies are now involved in the project and about 100 farm workers from outside the EU, who initially lived in ghettos and slums, have obtained security through the project on dignified living conditions, regular employment contracts, transport with adequate means of transport, medical examinations, personal protective equipment for the workplace safety and chemical toilets in agricultural fields. (Dutch Embassy - Rome, 2021) (Godano, 2019) (Tetro, 2020) (AgriFoodToday, 2021) (Iamme, 2021)

- **SFRUTTAZERO, tomatoes without caporalato** 

'Tomato sauce with 0% exploitation'. This project of the Solidaria association from Bari started in 2014 with the production and sale of tomato sauce based on agro-ecological cultivation. In the following year they started a collaboration with Diritti al Sud (Laws in the South) on tomato cultivation based on regular employment contracts. The production is based on clear principles,

including the recognition of workers' rights, respect for the environment and for the crops. The names and faces of the producers are on the labels (see figure 6) on the glass jars of tomato sauce and it is also indicated in percentages how much impact each step in the chain weighs on the final sale price to the consumer. The employees all have a regular contract and earn 7 euros net per hour for a maximum of 6-8 hours per day. At the start of the project, 600 bottles were sold, in 2018 no less than 25,000. (Terra Nuova, 2018) (Caporale, 2018) (Packly blog, 2018) (Dutch Embassy - Rome, 2021)



Figure 6 Sfruttazero: example of strong branding

- **Funky Tomato: chain agreement against caporalato**



Funky Tomato is an alliance between profit and non-profit organizations with the aim of making the tomato chain transparent and free from exploitation. It is a model based on ethics, justice, and participation. The principles are recorded as a guarantee in an official production file. The participation of other growers is increasing; currently there are hundreds of affiliated purchasing groups, catering companies and consumers, both in Italy and in Europe. (Dutch Embassy - Rome, 2021) (Aldinucci, 2019)

- **Mutti**



In August 2018, one of the largest producers of processed tomato products in Italy, Mutti, published a public letter and policy, officially taking a stand against caporalato ("Supporting fair working conditions in the Italian tomato industry – our commitment and an invitation to action). Mutti's objective was to collectively fight caporalato by sending an invitation addressed to all actors in the chain. It asked actors to put focus on good practices in the field and to recognize labor rights of employees in the tomato chain. Mutti now works according to a Code of Conduct (approved by the board of directors on March 23, 2021) and according to a Code of Ethics. In annex 2, the full interview with Mutti is shared in the annex (the interview is conducted and therefore published in Italian). (Dutch Embassy - Rome, 2021) (Mutti, 2018) (Mutti, 2020) (Mutti, 2019)

- **Altromercato**



Altromercato started a project for the 'valuation' of Italian produced products. The aim was to promote products that are free from mafia and have no risk on exploitation. Furthermore, the project was created to fight caporalato and to promote the integration of Corporate Social Responsibility. It involves 3 cooperatives and 60 small producers in Italy and focuses a fully transparent supply chain, that is exploitation and caporalato free.

Altromercato is one of the largest fair-trade initiatives worldwide, and they work with 190 producer organizations in 40 countries. They have stores all across Italy and promote fair products, such as tomato, coffee, tea, chocolate and other fruit and vegetables. (Altromercato, 2019) (Dutch Embassy - Rome, 2021) (Caporalato, "Tomato Revolution": la linea di "pomodori contro lo sfruttamento dei lavoratori stranieri e non solo, 2020 )

- **'La Rete del lavoro agricolo di Qualità': Network of Quality Agriculture**



The network is created to form a group of agricultural businesses that stand out for their compliance with labor regulations, social legislation, income, and value added taxes. In other words, agricultural companies who are associated with the network have been (desk-)audited to determine whether they are a 'clean business'. A clean business means that the inspection didn't encounter exploitation or illegal recruitment, and that the company has been compliant with national legislation in the past.

Law 199 established that agricultural companies in possession of the following requirements can participate in the network:

- *Companies have not reported criminal convictions for violations of labour and social legislation, for crimes against the public administration, crimes against public safety, crimes against public economy, industry and commerce, crimes referred to in several articles of the criminal code.*
- *Companies have not been subjected, in the last three years, to administrative sanctions, even if not definitive, for violations in the field of labour, social legislation and compliance with the obligations relating to the payment of taxes and duties.*
- *Companies are up to date with the payment of social security contributions and insurance premiums.*
- *Companies apply the collective agreements referred to in Article 51 of Legislative Decree 15 June 2015, n.81.*
- *Companies are not controlled or connected, pursuant to article 2359 of the civil code, to persons who do not meet the legal requirements indicated above. (INPS, 2015)*

To become part of the network, it is necessary to submit the application online via INPS. The registration in the network is made official with the publication of the list of admitted companies, which is constantly updated. On that list, there are currently around 5,000 companies.

The downside of this network, according to stakeholders, is the fact that the application and recognition process is slow and bureaucratic. Furthermore, there is a lack of inspectors, and growers receive a desk-audit once during their application. Once approved and registered onto the network, the grower is assumed to be a good and decent employer. Only with proof found by the labor inspection, the employer could be de-registered and noted as engaged in unlawful or illegal labor relationships.

- **FAI** 

The initiative FAI stems from a memorandum of understanding signed by Federdistribuzione, Coldiretti and FAI – the Italian agricultural chain – which will bring a selection of high quality producing to the shelves of national supermarkets. The products are mainly coming from Calabria and Basilicata, supported by a campaign of the made-in-Italy brand, currently focused on the grain and cereal sector. The initiative promotes the made-in-Italy brand and aims to give consumers the opportunity to find a national product with high quality characteristics. Furthermore, the project is created to rule out exploitation and to monitor on fair payment of the agreed buying price to farmers. (CONSUMI: ARRIVANO SULLE TAVOLE LE PRIME, 2020)

The fair compensation is checked by auditors, who inspect the invoices of organizations that are responsible for paying the farmers. The payment is checked with tomato price as agreed in the yearly collective buying price agreements (one for the North and one for the South).

- **Contrasting labour exploitation: Projects Supreme and Alt Caporalato!** 

The main goal of Su.pr.eme and Alt Caporalato! is to prevent and contrast labour exploitation of migrant workers in major economic sectors (agriculture, manufacturing, and construction) by improving the effectiveness of labour inspections and promoting coherent and coordinated interventions among relevant authorities. (IOM UN Migration, 2021)

Their activities focus on:

- 1) Supporting the National Labour Inspectorate by providing cultural mediation services to mitigate and reduce language and cultural barriers between migrant workers and labour inspectors as to consolidate mutual trust and collaboration during labour inspections.
- 2) Building the capacities of labour inspectors and cultural mediators on key topics such as immigration law, labour exploitation, protection mechanisms, as well as major trends and characteristics of international and national migration.
- 3) Conducting awareness raising among migrant workers of labour rights, fair recruitment, practices, and protection mechanisms as provided for by the Italian law for potential victims of labour exploitation.
- 4) Promoting private sector engagement at the local, national, and international level by identifying best practices and building capacities towards a better understanding and awareness of labour rights and fully implemented recruitment and labour practices.
- 5) Strengthening the capacities of selected Prefectures to monitor socio-economic conditions of vulnerable migrant workers living in informal settlement and to coordinate targeted initiatives about migrant workers' integration.

A report is published with the main trends and results monitored in the period April-December of 2020. In Annex 16, the profile of migrant workers informed on labour exploitation and protection mechanisms during labour inspections and outreach sessions is shown. Annex 16 also shows the direct assistance to migrant workers victims of labour exploitation. (IOM UN Migration, 2021)

- **CSQA Certificazione**



The purpose of the standard of CSQA is to define the necessary requirements to be able to demonstrate that the 'shared value' is guaranteed along the food chain. With 'shared value' the standard refers to the result(s) of all policies and operational practices that allow an organization to increase its ethical competitiveness, to advance the economic and social conditions of one or more reference stakeholders. A result can be of various kinds, for example: a percentage of products with guarantee of origin, an improvement in the price paid to suppliers, etc.

The first thing that an organization and its food chain needs to do, is to define what is the value that is shared along the chain. It could be i.e., as write above, the fair price paid to the farmer.

An organization that wants to be certified 'shared value' must adhere to several principles: Responsibility for accountability, behaviour consistent with their own Code of Conduct, respect for the principle of legality, compliance with international rules of conduct and respect for human rights.

The standard has an annex created for supply chains and organizations which, referring to 'shared value', intend to guarantee a fair price to all players in the supply chain that contribute to the finished product. The definition of a fair price is stated as follows by CSQA:

The price paid to producers is fair when it is defined by the parties as a result of a process based on dialogue, transparency and mutual responsibility, in which the price is proposed by the manufacturer and possibly modified by all parties. In relation to the extent of products sold, the

price must also be suitable to generate income for the company of the producer to be allocated to investments and to allow it to remunerate workers in an appropriate amount to lead a free and decent life, and to cover other costs.' CSQA created a verification process to determine whether a chain and company is paying a 'fair price'.

- **True-Code.org**

The True-code.org (Technical Resource Uniquely Encrypted) initiative is focusing on a free facility passport to uniquely identify farmers. The majority of the sustainability issues like deforestation and human rights in the supply chain are location related and connected to the first mile: (smallholder) farmers. There are several pilots with to test the free True-code facility passport for farmers linked to coffee, cocoa, and soy farmers. The True-code.org offers a free facility passport, that creates chances for all: end2end. Based on the free True-code identification number that is linked to the facility passport, the True-code is also testing the possibility to use Blockchain technology that enables interoperability between existing data-silos. The first pilots have been successful. (True-Code.org, 2019)

## 9.2 Pros and cons of the initiatives

*Existing initiatives that have been launched to minimize and/or eliminate the human rights issues in the Italian tomato value chain: what have been the pros and cons of these initiatives and what are the reasons behind their success or failure?*

*Table 1 Pros and Cons of initiatives*

Initiative	Pro	Con
<b>Pomodoro NoCap (Limited information found)</b>	Positive branding and recognition	Limited scope: in Italy it is a well-known project, but less outside of Italy
	Focus on transparency and traceability, also considering environmental sustainability	Limited production and sales of tomato products within the project
<b>SFruttazero (Limited information found)</b>	Strong branding with names and faces of the producers on the label	Limited scope: in Italy it is a well-known project, but less outside of Italy
	Protection of workers by contracting all employees and offering them a higher wage.	Limited production and sales of tomato products within the project
	Focus on a different target group for their products: consumer who buy sustainable and are aware of their impact. The consumer who has more to spend.	Use of self-declaration for growers to ensure no exploitation and takes place in the production and caporale are not involved. (FuoriMercato, 2021)
<b>Funky Tomato (Limited information found)</b>	Strong branding and chain collaboration	Limited scope: in Italy it is a well-known project, but less outside of Italy
		Limited production and sales of tomato products within the project
		Prices are higher than conventional processed tomato products from Italy

<b>Mutti</b>	Large, strong brand that is well-known in Italy and Europe	Use of self-declaration for its affiliated growers that guarantees that the grower does not make use of practices that are a criminal offense. It is also used to rule out the use of caporalato.
	One of the largest producers of processed tomato products, having a large market share.	
	Code of Conduct, Code of Ethics, and certification in place.	
	Strong relationship with affiliated growers.	
<b>Altromercato</b>	Large fair-trade organization that established a market position	Prices are higher than conventional processed tomato products from Italy, mainly because it is branded as BIO.
	Focus on social and environmental issues	
	Different target group: BIO products.	
<b>Network of Quality Agriculture</b>	Provides an overview of companies that are recognized as a 'clean business'.	Only a labor inspection during the application phase at grower level.
	National recognized program.	Slow, bureaucratic application process, which is also slowed down because of the lack of labor inspectors.
	Multi-stakeholder initiative.	The number of members is low. Companies/growers do not feel the pressure to join the Network.
		The Network has no leader at this moment and there is a lack of resources.
<b>FAI</b>	Fair compensation in the chain which is checked by inspectors.	Not integrated in all agricultural supply chains (including tomatoes)
	Full commitment in an entire chain.	
	Increases the market position of the made-in-Italy brand.	
<b>Project Su.pr.eme and Alt Caporalato!</b>	Provided insight in the hidden group of migrant workers	The project does not replace the labor inspections that are planned and needed, nor does it increase the enforcement on legislation.
	The project has their own labor inspections and are not depending on or causing extra manpower of the National Labour Inspectorate.	
	The project offers direct assistance to migrant workers victims of labor exploitation.	
	Focus on prevention instead of repression of exploitation and illegal recruitment.	
<b>Certification of CSQA</b>	Detailed and accurate verification of criteria that have been created to check 'shared value', in other words a 'fair price'.	Being an additional element to an audit, results in having an extra cost.
	Additional element to a Social Compliance audit	

<b>True-Code</b>	Enabler of mapping (smallholder) farmers, based on location, crop and activity.	Pilot phase.
	No costs.	



**The local initiatives are often well-known in Italy but less outside of Italy. Their reach is therefore minimum. Their branding and storytelling are however very strong.**

**The larger initiatives, that focus more on the export market of processed tomatoes have a larger reach and act on the same level as Dutch retailers and premium-brand manufacturers. These national programs/projects require management on a higher level than the smaller, local initiatives, which is currently not well organized at most of the larger initiatives. Furthermore, the larger initiatives are more depending on external parties and lay more responsibility (in the shape of self-declaration forms) to their involved partners. The fact that their system depends on trust and responsibility, which could be abused by partners.**

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## 10 CONCLUSION

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The leverage of Dutch retailers and manufacturers is limited at first sight; just 4.8% of the total Italian export is sold to a Dutch buyer. However, the leverage of Dutch retailers or manufacturers is often quite substantial when considering their individual supplier relationships. The Dutch retailer or premium-brand manufacturers do not have the leverage to change the whole Italian processed tomato industry or change the systemic issues linked to the use of illegal migrant workers or illegal gangmasters by themselves. The Dutch buyer is however an important and relevant buyer to some of their specific Italian suppliers and thus have sufficient leverage allowing for specific buying conditions such as decent worker conditions until the level of the Italian farmer. Italy is not seen as a high-risk country for social issues for the majority of the Dutch retailers and premium-brand manufacturers. As a result, the transparency and social compliance requirements in their contracts or Code of Conducts are not seen as relevant for the Italian suppliers of processed tomato suppliers.

Dutch retailers and premium-brand manufacturers can only use their leverage if they have access to the transparency data linked to their Italian processed tomato supply chains until the level of the individual, Italian farmer. Not all contract suppliers (first tier) are willing and/or able to give that transparency or they lack insights themselves. Stakeholders confirmed that they have never been asked before to give transparency until the level of the Italian tomato farmer. It will take a long time (many years) to achieve a systemic change in the release of data by all the supply chain actors.

Buying practices used by the Dutch retailers or premium-brand manufacturers are not an isolated case: almost all international buyers in the industry have similar ways of working. Buyers are trained on buying against the best conditions possible and the majority of their KPIs are linked to this. There is a fierce competition among retailers that also sell the branded products and low prices is one of the most important strategies to win the loyalty of the consumer. Consumers “speak with their heart but buy with their wallet” is a phrase often heard by buyers. The options for a consumer that wants to buy with their heart is not there when searching for sustainable processed tomatoes. A consumer cannot see the sustainability efforts that the retailer and the producer have made, on the outside of a can of tomatoes. Rainforest Alliance and Fairtrade can for example not be found on the products, because these standards are not available for European production sites.

Our literature study and interviews with several stakeholders confirmed that the use of caporalato and (undocumented) migrant workers for seasonal work is more relevant to the South of Italy and linked to farms where there is manual harvesting. Mechanical harvesting minimizes the number of workers needed, but it does not completely eliminate the risks as there are still some unskilled workers needed. The role of a democratic cooperative or producer organization is important to get transparency and achieve improvements until the level of the Italian tomato farmers. In the South producer organizations can in reality be traders that have no real connection to the farmers. There are no existing international accepted audit standards that delivers a clear definition to identify the quality of a cooperative or producer organization.

For many years in a row, there has been high pressure on the sales price of tomatoes for processing caused by the (international) buying practices in their search for low prices. The main

variable cost that farmers, who are in the bottom of the supply chain, can cut down on is the cost of unskilled labour. As a result, there is a demand for flexible and cheap labour and illegal caporalato have developed methods to use (undocumented) migrant to fulfil that need. These practices are against the Italian law, which lacks (planned) enforcement to check all the Italian farmers during harvesting time. An Italian multi stakeholder initiative has been developed called 'La Rete del lavoro agricolo di Qualità' (Network of quality agricultural labour). It started in 2015 but has not yet been successfully implemented. According to several stakeholders this is due to management issues, lack of enforcement (and financial resources) and slow, bureaucratic processes.

Retailers and premium-brand manufacturers can lead by example and some already do. Giving a higher price for the product is only a solution if there is a guarantee that the premium is truly ending up in the pocket of the individual, identified Italian tomato farmer. If the farmer gets a better price for their tomatoes, they need to deliver evidence that seasonal workers are truly paid a decent wage. There are existing International and Italian examples and initiatives that could contribute to such transparency, but they are all in an early stage.

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## 11 RECOMMENDATION

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It is recommended that the Dutch actors work together to deliver a contribution to the human right issues linked to undocumented migrant workers that are exploited by illegal gangmasters in the Italian processed tomato supply chain. On a step-by-step basis Dutch actors can “lead by example” and build the best practice that can be shared with their international peers. Looking at the options that the different actors have, ImpactBuying bv has the following recommendations:

### CBL (The Dutch Food Retail Association) and FNLI (the Dutch Association for premium-brand manufacturers)

- Share this study with other food retail and premium-brand representatives in Europe as a basis to revive the dialogue about the need for enhanced transparency of primary production in agri-food supply chains until the level of the individual farmer as a pre-competitive issue.
- Start a dialogue with stakeholders about a need for a Standard and/or criteria that shows whether a cooperative/Producer Organisation is truly operating as a democratic cooperative that collaborates with- and checks their supplying farmers on the agreed contractual requirements. It must include criteria for freedom of association of the workers on farms and the right to collective bargaining.
- Start dialogue with Standard owners about getting clarity about the criteria linked to migrant labour and request adapting their Standard and audit protocol. Include the consultation with local trade unions during an audit if available and relevant.
- Contact Standard owners to underline the necessity for retailers and brands to receive audit reports instead of only a certificate.
- Initiate dialogue within CBL/FNLI with members to consider and qualify countries like Italy as medium risk countries in their due diligence assessments and strategies for agri-food supply chains. Contact IDH/SIFAV to learn from their work on country risk ranking using credible sources such as Wageindicator.org and other recognized/recommended parties by IDH, to identify the countries that have a high risk of migrant labourers.
- Work with other European retail federations on the issue of migrant labour in a pre-competitive context and more specifically, work with Federdistribuzione to study the viability of extending the FAI initiative to the Italian tomato farmers that deliver tomatoes for processing. Investigate the possibility for pilot-testing the FAI initiative that include checking cooperatives and regular inspections at farm level to check the farmer payment.
- Work with MVO Nederland to get alignment on the criteria focusing on the inclusion of undocumented migrant labourers and criminal/illegal organisations (gangmasters/caporalato) in the MVO Risk-Checker.
- Start a dialogue about testing the IDH Living Wage tools (the verified living wage gap with trained auditors and the connected Base report) with Italian tomato farmers, to see if it delivers the insights that CBL/FNLI members need to understand if Italian tomato farmers paid their workers a decent wage. It includes a check on workers hired via agencies.

- Investigate the possibility to do a pilot with the True-code.org<sup>9</sup>, an initiative of ImpactBuying and the Consumer Goods Forum, that supports a free facility passport of individual farmers beyond the cooperative whilst protecting their personal data. True-code.org is a potential and free of cost solution to achieve full supply chain transparency until the level of the individual small-holder farmer.
- Work together with the Dutch government and the FNV about the need for the Italian government to increase the number of inspections and start a deeper investigation to see if and how the 'La Rete del lavoro agricolo di Qualità' (Network of quality agricultural labour) can help the Dutch retailers and premium-brand manufacturers to get more transparency.
- Create a pre-competitive platform that allow Dutch retailers and premium- brand manufacturers to share the experience of their pilots with their selected suppliers. Share the best practices with relevant national and international organizations.

### Individual retailers and premium-brand manufacturers

- Actively contribute to the work of CBL or FNLI to work on solutions that are non-competitive but help to develop and test standards and solutions that are of benefit for all, deliver more transparency and contribute to positive impact.
- For those who do not have requirements at all: set up a human rights policy (compliant with OECD Guidelines/UN Guiding Principles) and include that in the contracts with your supplier. Set up a monitoring system to check if these requirements are respected.
- Introduce medium risk countries as a category of countries that, linked to the risk of existence of migrant labour and (illegal) gangmasters. Work close with CBL/FNLI to come to the reliable sources that identify the relevant medium risk countries.
- Include the issues of migrant workers and illegal gangmaster into the Due Diligence study and include other crops (than tomatoes for processing) where seasonal workers are also needed to execute manual labour and combine these crops with the medium risk country list to define priorities.
- Include the medium risk country list into the existing human rights policies and/or code of conducts and supplier contracts. Develop a roadmap for the introduction of medium risk countries and define the (financial and operational) consequences of this roadmap for internal and external stakeholders.
- Organize a training for the relevant company buyers on the impact of this new risk category in their buying practices. The training should include dealing with suppliers that are unwilling and/or unable to get transparency until the level of the farmer.
- Generate a list of all suppliers that are present in this medium risk countries and start the dialogue about the need to have transparency beyond the last stage of production until the level of the individual buyer.

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<sup>9</sup> [Truecode | Connecting Verified Truth \(true-code.org\)](https://true-code.org)

- Include the contractual requirements that the first tier (contractual supplier) is responsible for delivering transparency until the individual farmers and make submitting the detailed data (audit reports) part of the contractual requirement.
- Request the first-tier suppliers of processed tomatoes about the structure of their supply chain and the location of their tomato farmers and find out if they come from the North or the South. Request the first-tier supplier to deliver transparency about the way they harvest: manually or mechanically. Identify the way you want to validate the answer. For example, by sending own specialized staff or by using second party auditors that perform unannounced audits during harvesting time.
- Select an Italian processed tomato supplier that is willing and able to start a pilot in close collaboration with you as a buyer. The pilot should be focussed on addressing the salient issues in a pragmatic way and build experience. Actions to take:
  - Discuss and test the effect of negotiating the prices with a tender that takes place after the Italian industry associations and farmers associations have set the minimum price range for a ton of tomatoes.
  - Agree on a three-year roadmap (as a minimum) and work closely with the supplier to make the supply chains transparent until the individual farmers and identify the best ways to do that with testing the different options available.
  - Try to understand what the investment and return on investment is for the farmers in this specific supply chain to change from manual to mechanical harvesting (if relevant in that supply chain).
  - Introduce a pilot with one of the tomato supply chains of your selected first tier suppliers where you are prepared to pay a premium to the individual tomato farmers if they can deliver the requested transparency and evidence that they use legal workforce and paid their seasonal workers a decent wage.
  - Test the implementation of the IDH salary matrix with the Italian farmers in the pilot as it includes the obligation of the farmer to identify the number of seasonal workers and what they have been paid. Request for a formally verified IDH Base report to get insights in the results. Offer (financial) support when help is needed and see what the CBL and/or FNLI have found on options that IDH has to deliver support.
  - Introduce an impact KPI for buyers that is based on the pilot case and discuss this KPI with the internal leaders that set KPI's for integrated reporting. Buyers should be rewarded if they succeed (together with their first tier supplier) to obtain transparency data until the level of the farmer, can demonstrate that farmers use legal workforce, can demonstrate that seasonal workers are paid a decent wage even if they are hired by labour agencies.
  - Develop a monitoring policy to check if a cooperative truly has paid the agreed minimum price to farmers and check the CBL outcome of the discussion with FAI to use existing Italian initiatives that could support monitoring.
  - Investigate the existing Italian solutions to communicate via the product to the consumer. Start the dialogue with the internal marketing and communication

department about a strategy to start communication to consumers. Set up a consumer test to identify the best options to provide consumers the option of an informed decision.

- Use the learnings of the pilot to expand the best practices to other processed tomato suppliers and other product groups that are identified as a risk while they also make use of seasonal workers.

### FNV (Dutch trade union confederation)

- Increase the general awareness in the Netherlands about the need for transparency in supply chains until the level of individual farmers as the base line that allows taking actions linked to human rights issues of (undocumented) migrant workers as seasonal labour in agri-food supply chains in European countries (beyond the processed tomatoes from Italy).
- Increase the awareness in the Netherlands that the human rights issues of (undocumented) migrant workers is not limited to Italy but appear in many other countries in the World where seasonal workers are hired for harvesting.
- Start a dialogue with stakeholders about a need for a Standard and/or criteria that shows whether a cooperative/Producer Organisation is truly operating as a democratic cooperative that collaborates with- and checks their supplying farmers on the agreed contractual requirements. It should include criteria for freedom of association of the workers on farms.
- Support CGIL-FLAI with addressing the need for enforcement, and stronger governmental control to improve the rights of (undocumented) migrant workers and their work- and living conditions in Italy.
- Support EFFAT trade union initiatives to start discussions with European retail organizations and premium-brand manufacturers about the topic of seasonal workers hired via legal and illegal agencies.

### The Dutch Ministry of Foreign Affairs

- Share concerns to the relevant representative from the Italian government about the lack of inspectors that are part of the ambitions that are described in the Three-Year Plan and the Recovery Plan. They are well intentioned and well described, but without the effective actions on the ground, progress is limited.
- Start the conversation with the relevant representative from the Italian government to understand what is needed to make the 'La Rete del lavoro agricolo di Qualità' (Network of quality agricultural labour) a success that is also accepted by the international market parties and actively inform relevant Dutch parties about the insights and progress.
- Raise the concern to the relevant representatives from the Italian government of the challenges and limitations of the (European) seasonal permit system. There is a systemic

demand of legal agricultural workforce and not enough supply via legal routes. Gaps are filled by illegal gangmasters. It is therefore recommended to share these concerns and promote a revision of the conditions to apply for a seasonal work permit.

- Raise the concern to the relevant representative from the Italian government of the challenges and limitations of the complaint and registration system for victims of exploitation experience when wanting to report exploitative conditions by an employer or gangmaster to a governmental institution. The Italian system is depending on victims coming forward and identify themselves, which creates a high threshold, which can be too high for undocumented workers who are afraid of getting expelled.
- Support the current developments for due diligence legislation in Europe and learn from the best-practices on due diligence that Dutch retailers and premium-brand manufacturers have implemented in their own organisation and supply chains. A European law on due diligence will increase the awareness for every actor in the international supply chains (including the Italian processed tomato supply chain) to make their supply chain transparent and start acting on risks.
- The Dutch Ministry of Foreign Affairs could check if the governmental buying departments already executed a due diligence study and whether Italian processed tomatoes are in scope. Governmental buying departments can also follow the recommendations in this report written for buyers from retailers and premium-brand manufacturers.

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## 12 GLOSSARY

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<b>Migrant workers</b>	Most affected people are immigrants, both from Eastern EU countries and non-EU nationals, however Italian workers, especially women, are also impacted, mostly when they work as seasonal and/or unskilled labourers.
<b>Caporale or Caporalato</b>	The act of conducting an organized activity of intermediation, recruiting manpower or organizing a workforce, characterized by use of violence, threats, and intimidation. (Oxfam & Terra! , 2018)
<b>Last stage of production</b>	Last production stage before selling.

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# 14 ANNEXES

## 14.1 Annex 1: Methodology

Table 2 Methodology of this Human Rights Impact Assessment

Phases and objectives	Topics covered
<p><b>Phase 1. Context Analysis</b>  <i>Overview of facts (Dutch influence on the Italian tomato chain)</i></p> <ul style="list-style-type: none"> <li>- Dutch import volumes of processed Italian tomatoes versus Italian export volumes: <b>what are the facts?</b></li>   <li>- Relevant European legislation versus Italian legislation when it comes to working conditions with a focus on seasonal workers and labour agencies: <b>Italy is part of the EU what does the European and Italian law say?</b></li>   <li>- Level of supply chain transparency of the existing Italian suppliers from each Dutch retailer and premium-brand manufacturers: <b>what data is available about the Italian processed tomato Supply Chains?</b></li>   <li>- Quality and length of the contractual relation from Dutch retailers and premium-brand manufacturers with their processed tomato suppliers from Italy: <b>is it possible to achieve a positive change in the tomato supply chain, based on the quality of the relationship?</b></li>   <li>-Transparency requirement as part of the contractual arrangement: <b>is it clear for first tier suppliers from processed tomatoes from Italy that they have to give transparency of the tomato supply chain?</b></li>   <li>- What audit tools and standards do the Dutch retailers or premium-brand manufacturers use to</li> </ul>	<ul style="list-style-type: none"> <li>- Import: import volumes of Dutch actors               <ul style="list-style-type: none"> <li>• CBL member with respect to private label</li> <li>• Food processing firms and branded products with respect to raw material suppliers</li> </ul> </li> <li>- Export: Italian export volumes to the Netherlands</li>   <li>- Relevant legislation in Europe and in Italy linked to working conditions with a focus on seasonal workers and the use of labour agencies.</li>   <li>- Level of transparency: until what level is transparency data available beyond each first-tier supplier that delivers processed tomatoes from Italy?</li>   <li>-Are the contracts with the suppliers based on short or long-term contracts, yearly tenders?</li>   <li>-What are the existing requirements on providing transparency about the tomato supply chain?</li>   <li>- Deep dive in the existing first- second- and third-party audit tools that Dutch</li> </ul>

get an insight in the human rights issues in their Italian tomato supply chain: **can the available audit tools provide insight in the human rights situation in the Italian tomato supply chain?**

retailers and premium-brand manufacturers use to get an insight into the human right risks in the Italian tomato value chain. What is the scope of these audit tools? Is the focus on processing and/or primary production?

**Phase 2. Mapping of human right impacts**

*Deep dive in identified issues on human rights in the Italian tomato chain.*

- Extracting the salient human right issues from existing research and HRIA's available in relation to Italian human rights issues in the Italian tomato value chain: **what salient human rights issues have been identified in the last decade?**

- Study of existing reports that have been conducted on the topic of human rights in the Italian tomato sector are researched. A list of all the salient human rights issues will be extracted from these existing reports (see chapter 7.2 and 7.3)

- Verification/sanity check of the list with extracted salient human rights issues in the Italian tomato supply chain: **cross check with relevant stakeholders on the completeness of the list with issues.**

- By cross checking the completeness of the list with identified salient Human Rights issues by relevant stakeholders, missing Human rights issues will be included in the list. This is then the zero-measurement/starting point for the cross check of the coverage/service that standards (third-party schemes) can offer.

- Governmental control mechanism in Italy on the salient human rights issues in the processed tomato supply chain: **what is the level of governmental control with respect to the check on the salient human rights issues in the value chains of the Italian processed tomato industry until the level of the farmer?**

- Study of the existing control system of Italian government with a focus on seasonal workers and the use of labour agencies.

- Assessing the role and impact of local unions, NGO's, and industry associations: **what is the influence of the local unions, NGO's and Industry associations when it comes to the salient human rights issues in the tomato supply chain?**

Interviews with:  
 - Local union(s) with support from the FNV;  
 - Industry associations in Italy on national and regional level;  
 - Local NGO's active in human rights and local labour conditions.

- Cross check the criteria of the first-, second- and third-party audit tools, versus actual list with salient human right issues: **To what extent do audit tools monitor the selected human rights issues in the Italian tomato chain?**

- Cross check and map the criteria from the first-, second- and third-party audit tools versus the actual list of salient human rights issues.

- The ambition is to identify the living wage according to IDH Living Wage roadmap: **What is the**

**living wage for seasonal workers in the Italian tomato supply chain?**

- Production sites in Italy: transparency of their data, hour registration and in-kind benefits.
- Identifying the living wage gap by taking a sample at a production facility in Italy: what are the results? What does this gap tell us? Which job category shows the largest gap and how much do they get paid now?

**Phase 3. Root cause analysis and recommendations**

*Deep dive in the root causes of the identified human rights issues occurring in the Italian tomato chain*

- Identifying root causes of human rights impact in the processed tomato value chain: **what is causing the identified human rights issues in the Italian tomato chain?**

- Attribution of root causes to impact: **what is the level of influence per Dutch actor group, looking at the root causes of the identified human rights risks?**

- Exploring major initiatives that have been launched to address the root causes: **what initiatives have been set up in the last decade to tackle the root causes of the human rights issues and why have they been (un)successful?**

- Existing initiatives and solutions that have been set up to minimize and/or eliminate the human rights issues identified in the Italian tomato value chain: **What are the pros and cons of each initiative tackling the human rights issues and what are the reasons behind the success or failure?**

- Recommendations

- Interviewing writers of reports and stakeholders to identify and confirm the root causes on the topic of human rights in the Italian tomato sector.

- Attribution and prioritization of impact (scale, scope, irremediable character). Which actors have the largest impact and/or cause the human rights issues in the Italian tomato chain? The outcomes of this attribution and prioritization analysis will be reflected in a table, identifying the severeness of impact and whether a human right issue is 1) caused by, 2) directly linked to, or 3) contributing to, by the Dutch retailer and actors present in the Italian tomato chain.

- Initiatives in the fight against the **root causes**: what is the focus area of an initiative (in terms of root cause)? How does it tackle the problem causing the human rights issues? What are their pros and cons?

- Initiatives in the fight against the **human rights issues**: what is the focus area of an initiative (in terms of root cause)? How does it tackle the problem causing the human rights issues? What are their pros and cons?

- Corporate policies and practices of involved stakeholders/suppliers

	<p>(purchasing practices, effect of marketing choices on suppliers' relationship and advocacy)</p> <ul style="list-style-type: none"> <li>- Concrete examples/company case: Superunie impact assessment as part of the recommendation</li> <li>- Recommendations for CBL, FNV and involved actors and local parties (of proposed measures).</li> </ul>
<p><b>Suggested action plan per actor group</b>  <i>Deep dive in how to make positive impact and what strategy suits the Dutch retailers/actors best as a relatively small leverage country</i></p> <ul style="list-style-type: none"> <li>- Action plan per group of actors and/or retailers:</li> </ul> <p><b>How can a group of actors (operating in a specific step in the supply chain) create positive impact in human right issues in the Italian tomato chain?</b></p>	<ul style="list-style-type: none"> <li>- The suggested action plan will include: <ul style="list-style-type: none"> <li>• Timeline to address all adverse impacts defined.</li> <li>• Show how root causes could be tackled by which party, including how to collaborate with existing efforts and actors, as well as suggested new strategies to be implemented.</li> <li>• Suggestion for specifying the monitoring of the proposed measures.</li> </ul> </li> </ul>
<p><b>Phase 4. Validation</b></p> <ul style="list-style-type: none"> <li>- Test and improve analysis, conclusion, and recommendations</li> </ul>	<ul style="list-style-type: none"> <li>- Feedback first draft</li> </ul>
<p><b>Phase 5. Report finalization and communication</b></p> <ul style="list-style-type: none"> <li>- Providing time for CBL and FNV to outline an initial response to the assessment findings.</li> <li>- Ensure the assessment is made publicly available and initial communications undertaken.</li> </ul>	<ul style="list-style-type: none"> <li>- Feedback second draft</li> </ul>

## 14.2 Annex 2: Interview Mutti

### MUTTI – intervista del 28/9/2021

Francesco Mutti – CEO Mutti S.p.A.

Ugo Peruch – Agricultural Supply and Nature Responsibility Director

Michele Laterza – Corporate Communication and PR Manager

Valentina Giberti – Sales & Marketing Manager Benelux

Nicolas Frisch – Marketing Director Mutti France

Marco Omodei Salè – CSQA Certificazioni Srl – Innovation Manager

Alessandro Galardi – CSQA Certificazioni Srl - Senior Lead Auditor

Lo scenario è complesso, la filiera è “povera” sia economicamente (bassa marginalità) che culturalmente.

Business apparentemente semplice perché stagionale e impegna una trasformazione industriale leggera.

In realtà dietro nascono mille complessità:

- 1) Vendite fatte in pre-campagna accollandosi il rischio della trasformazione (i margini delle vendite sono molto bassi, a volte al di sotto del costo industriale).
- 2) Pressione crescente su “come vado a risparmiare”.

Distinguiamo tra filiera del nord Italia e del sud Italia.

Nel nord la filiera si è razionalizzata, riducendo il numero delle aziende, inoltre le istituzioni al nord implementano una costanza di controlli che impongono alle aziende un percorso quasi obbligato.

Al sud purtroppo la relazione con le istituzioni è diversa rispetto al nord, dove i controlli non hanno la stessa efficacia.

Creazione della filiera Mutti: creazione di un percorso, partito inizialmente con aziende agricole del nord, investendo nella materia prima di qualità, facendo una politica di marca e di innovazione, facendo una politica favorevole alle risorse umane, unica nel suo genere.

Filiera diversa

- 1) Visione di lungo termine (magari anche anti-economica all’inizio)
- 2) Miglioramento della qualità della materia prima
- 3) Partnership con la base agricola che consiste nella fiducia reciproca (es. Mutti quest’anno ritirerà più prodotto rispetto ai contratti perché hanno prodotto di più). Importante l’ascolto della filiera e la remunerazione equa del prodotto + 13% rispetto alla media del mercato.
- 4) Approccio generazionale, ci vuole molto tempo, anni di impegno, al sud si comincia oggi, dopo 8 anni, ad avere una filiera agricola.
- 5) Supporto completo di Mutti nei confronti della base agricola.
- 6) Organizzazioni interprofessionali nel nord (OP e Regioni) apportano sicuramente professionalità e valore alla filiera perché permette di parlare di problemi comuni (escluso il prezzo), es gestione degli aspetti fitopatologici etc.
- 7) Filiera di valore legata al brand Mutti con corretta armonia tra valore e prezzo.

Per il pomodoro da industria, al nord, il percorso della meccanizzazione inizia negli anni 90, oggi al nord si raccoglie tutto con le macchine. La manodopera tipica per le operazioni di raccolta meccanizzata consiste di: un operatore specializzato, uno/due supporti cui si aggiunge un trattorista. Mutti anche al Sud lavora con agricoltori che utilizzano solo raccolta meccanizzata: anche per raccogliere il ciliegino, tipica varietà del Sud Italia che normalmente veniva raccolto a mano. Per farla a macchina bisogna scegliere gli agricoltori, impostare la coltura e le superfici non sono elevate.

Al sud nel 2010 era pieno di persone nei campi che raccoglievano il pomodoro da industria. Nel 2015 è cominciata una riduzione importante della raccolta a mano, introducendo la meccanizzazione. Attenzione che quando piove al sud non si entra in campo con la macchina ma con le persone e questo può essere un fattore di rischio. Questo non accade al Nord, dove quando piove non si raccoglie.

Al sud sarebbe necessario un approccio più incisivo dell'autorità, volto a verificare le situazioni illegali e avviare un percorso virtuoso per far sì che le aziende operino correttamente.

Recentemente si è visto un miglioramento dal punto di vista della lotta al caporalato: è aumentato e si è inasprito il numero dei controlli in campagna.

Mutti non è direttamente coinvolta nel caporalato. Nel 2015 un'azienda agricola del Sud Italia è stata indagata e oggi è a processo per la morte di un bracciante. Questa azienda conferiva il pomodoro anche a Mutti e pertanto ci siamo costituiti parte civile.

Riguardo al tema del caporalato i fattori critici sono:

- la grande disponibilità di manodopera in condizioni di vulnerabilità anche in relazione ai flussi migratori.
- Carenza di personale dell'ispettorato del lavoro con conseguente carenza di controlli.
- L'industria ha grande necessità di manodopera per raccogliere il pomodoro e gli ortaggi in generale.

Mutti sui primi due punti ha pensato che poteva fare poco, Mutti può incidere sul fabbisogno di manodopera perché ha spinto moltissimo la meccanizzazione della raccolta del pomodoro, che ha necessità di persone qualificate e costanti nel tempo.

Mutti ha la completa tracciabilità della filiera fino al singolo agricoltore ed al singolo appezzamento. Esistono contratti tra Mutti e le OP che aggregano le aziende agricole fino ad arrivare agli appezzamenti di coltivazione. Al sud Mutti lavora con 200 az. Agricole, al nord altre 600 e c'è un rapporto diretto. Anche dove c'è una Cooperativa di agricoltori la Mutti arriva all'azienda agricola perché il camion raccoglie direttamente dall'agricoltore.

Il Direttore Tecnico Agronomico conosce personalmente tutti e 800 i fornitori agricoli. Per ogni agricoltore che è associato in OP si stabiliscono contrattualmente i quantitativi e l'obbligo di raccolta meccanica.

Le aziende agricole sono raggruppate in OP oppure in Coop e OP, però il rapporto tra Mutti e l'agricoltore è diretto.

Programmazione, raccolta meccanizzata e controllo della filiera sono i punti chiave di Mutti. Contratto con OP, nel documento fiscale poi viene citata l'azienda agricola di dettaglio, tale per cui l'azienda agricola riesce ad emettere una fattura coerente.

L'efficienza della filiera del sud può essere ancora decisamente migliorata.

Relativamente all'iniziativa del Lavoro agricolo di qualità, Mutti fa presente che è partito molto prima, inoltre la gestione della filiera Mutti è molto più intensa e di presidio.

In ogni caso il lavoro agricolo di qualità è un punto di partenza.

Un aspetto fondamentale sarebbe la quotidianità dei controlli, soprattutto al sud.

Controllo della filiera Mutti, il brand deve mantenere quello che promette al consumatore tra cui la gestione responsabile di tutta la supply chain.

Conoscere i fornitori, programmare la raccolta, gestire la tracciabilità fino al campo etc. sono tutti gli elementi del controllo Mutti.

Rete lavoro agricolo di qualità è un aspetto importante per chi vi aderisce, anche gli standard Globalgap e GRASP possono essere strumenti utili.

Mutti fa controlli amministrativi, sulla qualità e su altri aspetti.

Sulla parte sociale Mutti delega alle aziende agricole la dimostrazione di subire un'attività di parte terza per controllare gli aspetti sociali.

Globalgap+GRASP, SA8000, rete lavoro agricolo di qualità sono strumenti accettati, così come SEDEX, Ecovadis etc.

Mutti supporta in parte anche gli oneri per ottenere queste certificazioni o controlli.

L'adesione delle aziende del Sud a questi strumenti di controllo da parte di terzi è pari al 100%. Al nord, dove l'esigenza è meno sentita perché il fenomeno è meno presente, si sta andando verso il 100% di verifica di terza parte ma a oggi siamo al 50%.

Sistema di whistleblowing attivato e aperto alla filiera.  
Mutti è certificato SA8000.

**Legge 199:** Mutti è partito molto prima rispetto alla legge. Il livello Mutti è molto più elevato ed ha un rapporto consolidato da molto tempo con un premio di 13% rispetto al mercato convenzionale. Il lavoro agricolo di Qualità è solo un primo passo ma è ancora distante dal livello di Mutti.

**Pagamenti:** si paga l'OP con il dettaglio per il singolo agricoltore (quantità, tipo e prezzo) e trasparenza. Sulla base di questo poi il singolo agricoltore fatturerà all'OP.

Sintetizzando

- differenza profonda nord sud
- importanza di una filiera consolidata
- importanza della programmazione
- carenza di controlli ufficiali dell'ispettorato al sud
- disponibilità di manodopera al sud anche di basso livello e vulnerabile
- meccanizzazione più elevata al nord che al sud ma Mutti ricorre alla raccolta meccanizzata anche al sud: gli agricoltori suoi conferenti la utilizzano al 100%.
- meccanizzazione risolve il tema della manodopera ma attenzione alle piogge, che impongono il passaggio a raccolta manuale

## MUTTI – interview on 28/9/2021: Official English translation

Francesco Mutti – CEO Mutti S.p.A.

Ugo Peruch – Agricultural Supply and Nature Responsibility Director

Michele Laterza – Corporate Communication and PR Manager

Valentina Giberti – Sales & Marketing Manager Benelux

Nicolas Frisch – Marketing Director Mutti France

Marco Omodei Salè – CSQA Certificazioni Srl – Innovation Manager

Alessandro Galardi – CSQA Certificazioni Srl - Senior Lead Auditor

Rogier Vershoor – SIM Supply Supply chain Nederland

The scenario is complex, the supply chain is 'poor' both economically (low marginality) and culturally.

The business can be apparently simple because it is seasonal and involves a light industrial processing.

In reality, there are a thousand complexities behind it:

1) Sales made in pre-harvest taking the risk of processing (sales margins are very low, sometimes below the industrial cost).

2) Increasing pressure on " how do I save? ".

We distinguish between the supply chain in northern Italy and in southern Italy.

In the north, the supply chain has been rationalised, reducing the number of companies; moreover, institutions in the north implement constant controls that impose an almost obligatory path on companies.

In the south, unfortunately, the relationship with the institutions is different than in the north, because in the south the controls are not as effective as in the north.

Creation of the Mutti supply chain: creation of a path, which initially started with farmers in the north, investing in quality raw materials, implementing a branding and innovation policy, but also one favorable to human resources, unique in its kind.

Different supply chain:

1) Long-term vision (perhaps even uneconomic at first)

2) Improvement of raw material quality

3) Partnership with the agricultural producers which consists of mutual trust (e.g. Mutti will be supplied with more product this year compared to the contracts because they have produced more). Listening to the supply chain is very important, as is fair remuneration for the raw tomato that we pay + 13% compared to the market average.

4) Generational approach, it takes a long time, years of commitment, in the south we are starting now to have an agricultural supply chain after 8 years.

5) Mutti's complete support to the farmers.

6) Interprofessional organisations in the north (OP and regions) certainly bring professionalism and value to the supply chain because it allows us to talk about common problems (excluding price), e.g. management of phytopathological aspects, etc.

7) Value supply chain linked to the Mutti brand with a correct harmony between value and price.

For the tomato used for industrial transformation, in the north, the process of mechanisation began in the 1990s, today everything is harvested with machines. The typical manpower for

mechanized harvesting operations consists of a specialized operator, one/two supports plus a tractor driver. Mutti works also in the South with farmers use only the mechanized harvesting, also to harvest the cherry tomato, a typical variety of Southern Italy that was normally harvested by hand. To do it by machine, you have to choose the farmers, set the crop and make sure that the fields' area is not too large. In 2010, in the south, there were plenty of people in the fields harvesting tomatoes for processing.

In 2015, a major reduction in hand harvesting began, introducing mechanisation. Beware that when it rains in the south you don't enter the field with the machine but with people and this can be a risk factor. This does not happen in the North, which means that when it rains you do not harvest.

In the south a more incisive approach by the authorities is needed, aimed at verifying illegal situations and starting a virtuous path for companies to operate correctly.

Recently there has been an improvement from the point of view of the fight against illegal hiring (also known as "caporalato"): the number of controls in the countryside has increased and became stricter.

Mutti is not directly involved in caporalato. In 2015, a farm in southern Italy was investigated and is now on juridical process for the death of a worker. This company also supplied tomatoes to Mutti and we have therefore joined the civil action.

With regard to the issue of caporalato, the critical factors are:

- The large availability of labour in vulnerable conditions also in relation to migration flows.
- A shortage of personnel in the work inspectorate with a consequent lack of controls.
- The industry has a great need of labour to harvest tomatoes and vegetables in general.

On the first two points Mutti thought it could do little, Mutti can affect the need for labour because it has pushed a lot the mechanisation of tomato harvesting, which needs qualified people who are constant over time.

Mutti has complete traceability of the supply chain down to the individual farmer and the individual plot of land. There are contracts between Mutti and the OP that aggregate the farms up to the cultivation plots. In the south Mutti works with 200 farmers, in the north another 600 and there is a direct relationship. Even where there is a farmers' cooperative, Mutti can reach directly the individual farmer because the truck collects directly from it.

The Technical Agronomic Director knows personally all the 800 farmers. For each farmer who is associated in an OP the quantities and the obligation of mechanical harvesting are contractually established.

The farmers are grouped in OP or in Coop and OP, but the relationship between Mutti and the farmer is direct.

Planning, mechanical harvesting and control of the supply chain are the key points of Mutti.

Contract is done with the OP, but the fiscal document is then directed to the farmer, so that the farm can issue a consistent invoice.

The efficiency of the supply chain in the south can still be improved.

Concerning the “Rete del Lavoro Agricolo di Qualità” initiative, Mutti points out that as a company they started much earlier. Moreover, the management of the Mutti supply chain is much more intense and monitoring.

In any case, the “Rete del Lavoro Agricolo di Qualità” is a starting point for the industry.

A fundamental aspect would be the daily controls, especially in the south.

Controlling the Mutti supply chain, the brand must keep what it promises to the consumer, including responsible management of the entire supply chain.

Knowing the suppliers, planning the harvest, managing traceability to the field, etc. are all elements of Mutti control.

The “Rete del Lavoro Agricolo di Qualità” is an important aspect for those who join it, also Globalgap and GRASP standards can be useful tools.

Mutti does administrative controls, on quality and other aspects.

On the social side Mutti delegates to the farmers the responsibility to prove to have undergone a third-party control of the corporate and social aspects.

Globalgap+GRASP, SA8000, the “Rete del Lavoro Agricolo di Qualità” are accepted instruments, as well as SEDEX, Ecovadis etc.

Mutti also partly supports the charges to obtain these certifications or controls.

The acceptance of these third-party control tools by the companies working with Mutti in the South is equal to 100%. In the North, where the need is less felt because the phenomenon is less present, we are going towards 100% of third-party verification, but today we are at 50%.

Whistleblowing system activated and open to the supply chain.

Mutti is SA8000 certified.

**Law 199:** Mutti started much earlier than the law. Mutti's level is much higher and has a long established relationship with a 13% premium price paid to farmers as compared with the conventional market. The “Rete del Lavoro Agricolo di Qualità” is only a first step, but it is still far from Mutti's level.

**Payments:** the OP is paid with details for the individual farmer (quantity, type and price) and transparency. Based on this the individual farmer will then invoice the OP.

To summarise:

- deep difference between north and south;
- importance of a consolidated supply chain;
- importance of programming;
- lack of official work inspectorate controls in the south;
- availability of low-level and vulnerable labour in the South;
- mechanisation higher in the north than in the south but Mutti uses mechanical harvesting also in the south: farmers working with Mutti have used it at 100%;
- Mechanization solves the issue of labour but beware of rainfall, which forces a switch to manual harvesting.

## 14.3 Annex 3: Interview with a farmer organization

### **1. Che lei sappia, i vostri associati hanno mai ricevuto domande o questionari in materia di diritti umani dai loro clienti?**

Caporalato e pomodoro industria: riguarda il sud Italia, perché al nord la raccolta è 100% meccanizzata, mentre in Puglia si raccoglie ancora a mano in alcune aree. Il Pomodoro del sud vale di più.

### **2. Hanno mai ricevuto audit in materia o hanno certificazioni su diritto del lavoro?**

Diverse le certificazioni e le richieste anche dal punto di vista etico e anche nella nuova PAC al settore ortofrutta c'è un impegno anche in materia di diritto del lavoro. Ad oggi il sistema è volontario o da richieste di GDO.

La risorsa umana è nel settore molto importante e rilevante ma c'è sempre meno manodopera disponibile.

### **3. Se sì, che tipi? E hanno incluso anche i migranti?**

Certo. SA8000 in primis e altri codici di condotta come x.

### **4. I vostri associati lavorano con gli stessi lavoratori ogni anno?**

Si cerca una continuità per avere sempre le stesse persone che sono formate e su questo la AP interviene perché si occupa di formazione (inclusa la sicurezza) e quindi far fidelizzare le risorse alle stesse aziende.

### **5. I clienti dei vostri associati hanno richieste di trasparenza fino agli agricoltori?**

Nessun problema per il territorio emiliano, non sa al sud.

### **6. E' possibile avere tale trasparenza?**

Non sa

### **7. Cosa hanno fatto?**

NA

### **8. La GDO olandese vorrebbe dare il suo contributo su questa problematica: cosa potrebbe fare?**

Coerenza: proclami di serietà e impegno, ma poi quando si devono scegliere i fornitori non si seguono quei criteri. Riconoscimento di un premio che valorizzi questo sforzo.

*Unofficial English translation*

### **1. To your knowledge, have your associates ever received human rights questions or questionnaires from their clients?**

The southern tomato is worth more.

### **2. Have they ever received any audits on the subject or do they have labor law certifications ?**

There are various certifications and requests also from an ethical point of view and also in the new CAP for the fruit and vegetable sector there is also a commitment in the field of labor law. To date, the system is voluntary or by GDO requests. Human resources are very important and relevant in the sector but there is less and less manpower available.

**3 . If so, what types? And I incl u even know the migrants?**

Of course. SA8000 in the first place and other codes of conduct such as a Italian retailer.

**4 . Do your associates work with the same workers every year?**

Continuity is sought in order to always have the same people who are trained and on this the AP intervenes because it deals with training (including safety) and therefore makes resources loyal to the same companies.

**5 . Do the customers of your associates have requests for transparency up to the farmers?**

No problem for the Emilian territory , it does not know the south

**6 . Is it possible to have such transparency? Does not know**

**7. What did they do? NA**

**8. The Dutch large-scale retail trade would like to give its contribution on this issue: what could it do?**

Consistency: proclamations of seriousness and commitment, but then when you have to choose suppliers not s eguono those criteria. Recognition of a premium that enhances this effort.

## 14.4 Annex 4: Interview with an industry association of cooperatives (of farmers and processors)

### 1. Avete mai partecipato ad iniziative come questa?

Non ha avuto finora altre interviste così specifiche ma è a conoscenza del fatto che le catene distributive stanno valutando con interesse il problema caporalato e lavoro nero.

Per la genesi del movimento cooperativo, vi è un contesto di valori di fondo, quali la partecipazione dei soci alla gestione, la centralità delle persone e la collaborazione con gli stakeholders, per cui il commitment sugli aspetti sociali è piuttosto sentito e previsto negli statuti societari. Pertanto, anche nelle cooperative agricole il problema del caporalato trova un terreno meno fertile su cui svilupparsi.

### 2. Che lei sappia, i vostri associati hanno mai ricevuto domande o questionari in materia di diritti umani dai loro clienti?

In generale no, fatta eccezione per alcune catene distributive (es. COOP, CARREFOUR), che richiedono contestualmente la sottoscrizione del proprio Codice Etico. Molte altre hanno invece recentemente introdotto nei propri contratti richieste specifiche relative alla responsabilità sociale, soprattutto finalizzate a garantire il rispetto delle norme internazionali sui diritti dell'uomo e dei lavoratori e sulla sicurezza e salute nei luoghi di lavoro.

### 3. Si è fatto mai niente per contrastare il caporalato?

La strutturazione del mondo cooperativo ha un buon sistema di controllo amministrativo e gestionale e non abbiamo registrato, finora, casi di caporalato che hanno coinvolto le cooperative agricole di Legacoop, o loro soci. A livello nazionale Legacoop ha intrapreso iniziative di carattere generale, per l'adozione di modelli di responsabilità sociale presso le cooperative. A livello territoriale, le Federazioni regionali di Legacoop sono incaricate di gestire le relazioni sul territorio e verificare il rispetto da parte delle cooperative delle indicazioni impartite da Legacoop e hanno il compito di svolgere regolarmente controlli sul corretto funzionamento delle cooperative associate.

### 4. Hanno mai ricevuto audit in materia o hanno certificazioni su questo argomento?

Diverse cooperative agricole sono oggi certificate secondo standard di Responsabilità Sociale. Alcune adottano standard di commercio equo.

In generale, le cooperative non ricevono audit su aspetti sociali commissionati da clienti, salvo rare eccezioni (es. COOP ITALIA, CONAD).

Alcuni retailers richiedono ai fornitori di prodotti a proprio marchio di aderire all'iniziativa dell'INPS chiamata "Rete del Lavoro Agricolo di Qualità", cui si partecipa tramite iscrizione sul portale dedicato e il caricamento di alcuni documenti fiscali e contributivi. Ad esempio, COOP ITALIA ed Esselunga hanno chiesto da tempo ai propri fornitori di aderire a questa iniziativa. Più recentemente, anche il supermercato SELEX, per la fornitura di prodotti a proprio marchio, ha richiesto l'iscrizione alla Rete. Tale iscrizione prevede successive verifiche a campione nelle aziende partecipanti da parte dell'Ispettorato del Lavoro, che riguardano principalmente il controllo della regolarità dei lavoratori e sulla correttezza degli aspetti contributivi. Tali attività sono tese a contrastare il lavoro irregolare in genere, quindi, indirettamente, anche il caporalato.

### 5. Se sì, che tipi?

Le certificazioni di Responsabilità Sociale in uso sono principalmente GlobalGAP-G.R.A.S.P., SA8000, SEDEX-SMETA e, più recentemente, BRC-ETRS. Come standard di commercio equo, sono adottate le certificazioni FLO e CTM.

COOP ITALIA, in virtù della propria certificazione SA8000, svolge audit a campione sui fornitori. CONAD commissiona audit su aspetti sociali, ma solo nella fase agricola e con una propria checklist. Molte altre richiedono la certificazione GlobalGAP-G.R.A.S.P. dei fornitori e/o delle aziende agricole coinvolte.

## **6. Perché secondo lei gli agricoltori cercano e assumono migranti come lavoratori?**

- 1) Perché manca manodopera locale: gli italiani rifiutano ormai moltissimi tipi di lavori manuali, faticosi e impegnativi, con bassa retribuzione, come avviene sempre più spesso nel settore primario. Il settore agricolo è in crisi, basti pensare che gli imprenditori agricoli sono passati dai 10 milioni del dopoguerra alle 700-800 mila unità di oggi. Il calo delle aziende agricole è un fenomeno presente in tutta Europa, ma in Italia è particolarmente acuto a causa della dimensione media molto bassa.
- 2) Perché i prodotti alimentari sono venduti sempre più spesso sottocosto: la pressione commerciale della GDO sul fattore prezzo comprime i costi verso il basso in maniera spesso insostenibile. Ciò si riversa inevitabilmente, nel settore primario e in tutta la filiera, anche sulla manodopera.

Questi fattori portano condizioni di compenso molto basse e l'unica disponibile ad accettarle è quella straniera, soprattutto extracomunitaria. L'approvvigionamento di manodopera straniera oggi non riguarda più solo il settore ortofrutticolo, ma anche le stalle e gli allevamenti, il settore della IV gamma e gli stabilimenti di produzione alimentare in genere (caseifici, oleifici, cantine etc.). Questo perché è sempre più difficile far quadrare i bilanci a fronte di sempre maggiori costi e prezzi di mercato dei prodotti agricoli al ribasso.

Se le dinamiche commerciali dei retailer sono palesemente in contrasto con un controllo ed una conoscenza approfondita della supply chain che rispetti le regole, è chiaro che gli attori devono trovare delle soluzioni estemporanee per essere veloci, ridurre e comprimere i costi, essere flessibili, soddisfare le richieste di promozioni e sconti, non avere una programmazione definita. Queste soluzioni comportano la ricerca di scappatoie anche illecite.

Il lavoro illegale ("nero") è abbastanza comune, ad es. l'assunzione regolare di lavoratori per una parte del salario, mentre l'altra parte è data fuori dalla busta paga. Questo rende questa pratica molto difficile da scoprire, perché le persone sono regolarmente assunte e il lavoro agricolo prevede una forte flessibilità dell'orario di lavoro, di conseguenza è difficile verificare le ore realmente lavorate in base alla retribuzione corrisposta. Ma questa è più pratica nelle singole aziende agricole che nelle cooperative, dove il contesto più strutturato rende più difficile il raggiungimento.

Un altro caso è l'assunzione o reclutamento illegale di persone per lavori agricoli, per lo più straniere. A fare da intermediari tra lavoratori e aziende ci sono i singoli lavoratori, che fanno da "capo" (soprattutto nelle comunità di indiani, sri-lankesi, pakistani), o "false" cooperative di lavoratori, che forniscono lavoro temporaneo alle aziende, ma illegalmente trattiene parte del salario del lavoratore, talvolta anche mediante intimidazioni, violenze o schiavitù.

Casi sporadici di questo caporalato sono stati scoperti in alcune aziende, sia al nord che al sud d'Italia. Questi casi hanno riguardato principalmente materie prime fresche, soprattutto nelle pratiche di coltivazione e raccolta di frutta e verdura e negli allevamenti di animali.

Tuttavia, i casi più gravi emersi di reclutamento illegale (chiamato 'caporalato') sono stati legati ad organizzazioni criminali, che gestivano centinaia di lavoratori irregolari, principalmente nella raccolta di agrumi e pomodori industriali. Essendo legato ad organizzazioni "mafiose", è più utilizzato nelle aree in cui operano maggiormente, ad es. Rosarno (Calabria), Agro Nocerino (Campania) e Foggia (Puglia). Sebbene il 99% dei pomodori da industria sia oggi raccolto a macchina, nel foggiano, ad esempio, esiste un'agricoltura estensiva, ma sopravvive la raccolta manuale: questo territorio incontra difficoltà di meccanizzazione e le aziende agricole spesso coltivano altre specie orticole, in rotazione con il pomodoro. Ciò richiede manodopera. La somma di queste circostanze spinge le aziende a necessitare di organizzazioni illegali di "caporalato".

### **7. Cosa suggerirebbe per migliorare la situazione di agricoltori e lavoratori?**

Possibili soluzioni: la causa principale è la frammentazione del sistema agricolo. Gli attori della filiera più a rischio sono: piccoli imprenditori agricoli, piccole cooperative locali. Pertanto, servirebbe un cambio di mentalità, sia a livello delle Istituzioni che degli imprenditori agricoli, ma anche dei retailers, per favorire l'aggregazione delle imprese agricole, per mettere insieme le risorse, razionalizzare e abbattere i costi tramite economie di scala, migliorare l'organizzazione, il livello di innovazione e di servizio. È un obiettivo molto difficile da realizzare, ma porterebbe significativi miglioramenti della situazione.

### **8. Il problema è annoso ed endemico: perché non è mai stato risolto?**

Parte della GDO vuole avere le mani libere senza impegni di sorta con la filiera produttiva, vuole flessibilità. Per rispondere a queste esigenze, la filiera di approvvigionamento in molti casi si allunga, con molti passaggi tra produttori e mercato, e più la filiera si allunga più i controlli sono difficoltosi.

Inoltre, nei magazzini di cernita e stoccaggio e trasformazione industriale come a livello della produzione primaria, si possono annidare sacche di illegalità.

In questo senso sono emersi casi di irregolarità legati a cooperative che forniscono manodopera stagionale e (soprattutto stranieri, extracomunitari), che possono innescare fenomeni di intermediazione irregolare, o addirittura sfruttamento. Si è scoperto infatti, a seguito di indagini, che in alcune di queste cooperative, si siano effettuate assunzioni senza contratto, o si sia trattenuta in modo illecito parte della busta paga del lavoratore, o che vi siano state intimidazioni, o addirittura violenze e condizioni di lavoro obbligato.

Ci sono stati anche casi di irregolarità in piccole realtà, anche cooperative, a conduzione familiare, create "ad hoc" allo scopo di ricevere i contributi comunitari, a volte sotto forma di O.P. riconosciute, o di usufruire di altri vantaggi concessi alle cooperative.

In entrambi i casi, però, si è trattato di "false" cooperative, nel senso che non operavano con i requisiti richiesti per le società cooperative, cioè senza una vera partecipazione del socio, il rispetto della mutualità prevalente, ecc.

Legacoop opera numerosi controlli a livello territoriale, ma, purtroppo, non è sempre facile intercettare queste situazioni poiché chi gestisce queste realtà, nate con finalità illegittime, sono

in grado di creare situazioni artificiose per dare una parvenza di formale legittimità delle proprie attività.

**9. La GDO olandese vorrebbe dare il suo contributo su questa problematica: cosa potrebbe fare?**

L'approccio di filiera è fondamentale: non basta gestire e qualificare solo il fornitore diretto basandosi su documenti o certificazione, come ad esempio GlobalGAP-G.R.A.S.P., ma con veri accordi di filiera. Le certificazioni possono fornire una base utile di partenza ma non bastano. Non è sufficiente delegare ad Enti di Certificazione la garanzia della legalità delle filiere.

I retailer dovrebbero creare un rapporto di partnership, conoscere i propri fornitori e monitorare direttamente tutta la catena di approvvigionamento, per rendersi conto di come sia strutturata, anche con audit. Come nell'esempio del pomodoro trasformato, anche i buyers dovrebbero rendersi conto di persona anche tramite visite, fino alle aziende agricole che producono le materie prime, di come è costituita tutta la filiera dalla quale comprano i prodotti finiti.

*Official English translation*

**1. Have you ever participated in initiatives like this?**

So far you have not been interviewed in such a specific way, but you are aware that distribution chains are looking at the problem of illegal hiring and illegal work with interest.

Because of the genesis of the co-operative movement, there is a context of basic values, such as the participation of members in management, the centrality of people and collaboration with stakeholders. For which in all co-operative statutes the commitment to social aspects is very strong. Therefore, even in agricultural cooperatives the problem of illegal hiring would find less ground on which it develops.

**2. To your knowledge, have your members ever received questions or questionnaires on human rights issues from their clients?**

Not generally, except of some supermarket chains (eg COOP, CARREFOUR), who require the signing of their own Code of Ethics. However, many others have recently introduced specific requests relating to social responsibility into their contracts, especially aimed at ensuring compliance with international standards on human and worker rights and on health and safety in the workplace.

**3. Has anything ever been done to fight against illegal hiring?**

The structure of the co-operative movement can count on an efficient administrative and management control system, so we did not register, up to now, any case of illegal hiring involving the agricultural cooperatives of Legacoop, or their members. At a national level, Legacoop has undertaken initiatives of a general nature, for the adoption of social responsibility models in cooperatives. At a territorial level, the Legacoop Regional Federations have the task of managing relations on the territory and verifying the of local cooperatives with the guidelines given by Legacoop and regular checks on the correct functioning of the associated cooperatives.

**4. Have they ever been audited on this issue or do they have certifications on this topic?**

Today, several agricultural cooperatives are now certified according to Social Responsibility standards and/or fairtrade standards.

In general, cooperatives do not receive audits on social aspects commissioned by customers, except someone (eg COOP ITALIA, CONAD).

Some retailers, request to the suppliers of their own branded products, to join the initiative called "Rete del Lavoro Agricolo di Qualità" (Quality of Agricultural Work Network), in which you participate by registering on the National Social Security Institute (INPS) website and uploading tax and contribution documents in the software platform. The supermarkets COOP ITALIA and Esselunga, eg., ask their suppliers for joining this initiative. More recently, also SELEX supermarket chain requested this registration to its suppliers of own branded products. This registration is followed by sample on-site inspections by INPS to the participating companies, which mainly concern the control of the correctness of workers and contributory aspects. These controls are aimed at prevention of irregular work in general, therefore, also illegal recruiting.

### **5 . If yes, what types?**

The Social Responsibility certifications in use are mainly GlobalGAP-G.R.A.S.P., SA8000, SEDEX-SMETA and, more recently, BRC-ETRS. As a fairtrade standard, FLO and CTM certifications are adopted.

COOP ITALIA, by its SA8000 certification, carries out sample audits on suppliers. CONAD does audits on social aspects to its suppliers, but only in the farming step, with its own checklist. Many others ask only for the certificates GlobalGAP-G.R.A.S.P. of their suppliers and/or farms.

### **6. Why do you think farmers seek out and hire migrants as workers?**

1. Because there is a lack of local labor: young Italians now refuse many of manual, tiring and hard jobs, and with low pay, as is the case in the primary sector. The agricultural sector is in crisis, considering the number of Italian farms decreased from 10 million to 700-800.000, from after the War until today. This decline is throughout Europe, but in Italy it is particularly strong, due to the lower average of our farm size.

2. Because foods are increasingly sold below cost: the commercial pressure of large-scale distribution on the price factor compresses costs downwards in an unsustainable way. This inevitably falls back on the primary sector and throughout the supply chain, therefore on the workforce, too.

Both these factors lead together to lower remunerations and the only workers who accept it are the foreign, mainly extra-EU, ones. The supply of foreign labor today not only concerns the fruit and vegetable sector, but also the stables and livestock farms, the 'fresh-cut' sector and food production factories in general (dairies, olive-oil mills, wineries, etc.). This is because it is increasingly difficult to balance budgets when higher costs and falling market prices are.

If the commercial trend of retailers is clearly going on without taking in care control and an in-depth knowledge of the supply chain that respects the rules, the suppliers are pushed to find any solutions to reduce costs and to be faster and flexible, not having a defined schedule, in order to satisfy the requests for promotions and discounts. These solutions can lead companies to search for any solution, even illegal.

The illegal ('black') work is quite common, eg. the regular hiring of workers for part of the wages, while the other part is given, but out of the pay envelope. This makes this practice very difficult to discover, because people are regularly hired and the agricultural work provides for a strong flexibility of working hours, consequently it is difficult to verify the hours really worked in accordance with the pay paid. But this is more practice in individual farms than in cooperatives, where the more structured context makes it more difficult to achieve.

Another case is the illegal hiring or recruiting of people for agricultural work, mostly foreign. Acting as intermediaries between workers and companies there are individual workers, acting as "boss" (mainly in the communities of Indians, Sri-Lanka, Pakistanis), or "fake" cooperatives of workers, who provide seasonal work to the companies, but illegally retains part of the worker's wage, sometimes even by intimidation, violence, or enslavement.

Sporadic cases of this illegal hiring have been discovered in some companies, both in the North and in the South of Italy. These cases mainly concerned fresh raw materials, especially in the growing and harvesting practices of fruit and vegetables, and in animal husbandry.

However, the most serious cases emerged of illegal recruitment (named 'caporalato') have been linked to criminal organizations, managing hundreds of illegal workers, mainly in the harvesting of citrus fruits and industrial tomatoes. Being linked to 'mafia' organizations, it is more used in the areas where they mostly operate, eg. Rosarno (Calabria), Agro Nocerino (Campania) and Foggia (Puglia). Although 99% of industrial tomatoes are now harvested by machine, in Foggia area, for example, there is extensive farming, but manual harvesting survives: this territory meets difficulties in mechanization and the farms often grows other horticultural species, in rotation with tomatoes. This requires manpower. The sum of these circumstances pushes companies to need of illegal "caporalato" organisations.

### **7. What would you suggest improving the situation of farmers and workers?**

Possible solutions: the main cause is the fragmentation of the agricultural system. The actors in the supply chain most risky are small agricultural entrepreneurs and small local cooperatives. Therefore, a change of mindset would be needed, both at the level of Institutions and agricultural entrepreneurs, but also retailers, to encourage the aggregation of agricultural companies, to pool resources, rationalize and reduce costs through economies of scale, improve the organization, level of innovation and service. It is a very difficult goal to achieve, but it would bring significant improvements to the situation of farmers and workers.

### **8. The problem is long-standing and endemic: why has it never been solved?**

Part of retailers wants to have their hands free in buying, without any commitment with the supply chain, because they need flexibility. To meet these needs, the supply chain in many cases become longer, with more passages between producers and the market. The more the chain is lengthened, the more difficult the controls are.

Furthermore, in the sorting and storage and industrial food processing factories, so as at the step of primary production, situations of illegality can grow.

Cases of irregularities emerged linked to some cooperatives that provide seasonal and (above all foreigners, non-EU) workers, who would have proceeded with irregular intermediation or even exploitation. It was discovered, by police investigations, that some of these cooperatives hired

workers without a contract, or part of the worker's wage was illegally withheld, or they received intimidations and even violence or conditions of forced labour.

There have also been similar cases in family-run farms, so as small cooperatives created "ad hoc" to receive EU contributions as recognized POs, or to take advantage of other benefits granted to the cooperatives.

In both cases, however, they were "fake" cooperatives, not operating with the typical requirements for cooperatives, without real shareholder participation, respect for the prevailing mutuality, etc.

Legacoop does several checks, at a territorial level, but, unfortunately, it is not always easy to discover these situations since those who manage these cooperatives, born with illegal purposes, are able to mask their activities under an apparent state of formal legitimacy.

### **9. Dutch GDO would like to contribute to this issue: what could they do?**

The supply chain approach is fundamental: it is not enough to manage and qualify only the direct supplier, for example by asking for a Globalgap and GRASP certification. Supply chain agreements must be made and retailers must know and control all their suppliers and actors in the supply chain, including through field visits and audits, including farms. Certifications can provide a useful starting point but they are not enough and it is neither sufficient nor possible to delegate to the Certification Body the guarantee of the legality of the supply chains, only through the certification of the direct supplier. Retailers should create a real partnership with the supply chain, directly monitoring this supply chain, also to realize how it is structured, carrying out second-party audits. Finally, buyers should personally see how the entire supply chain from which they buy products such as processed tomatoes is made up.

## 14.5 Annex 5: Interview with a farmer association

### 1. Avete mai partecipato ad iniziative come questa?

Non è la prima volta.

### 2. Che lei sappia, i vostri associati hanno mai ricevuto domande o questionari in materia di diritti umani dai loro clienti?

Reperimento degli alloggi e dei trasporti al campo dell'azienda agricola, rappresentano il cuore del caporalato. Mancano i voucher, che costituivano uno strumento utile e veloce per regolarizzare il lavoro temporaneo, anche se con dei limiti. Oggi per attivare il contratto stagionale sono necessari 10 giorni, tale tempistica è incompatibile con le esigenze del settore agricolo e con i tempi della raccolta dei prodotti agricoli. Nel settore agricolo la richiesta di assunzioni è sempre in crescita, nonostante il blocco delle frontiere ed altri fattori. Il 26% degli assunti sono rappresentati da stranieri, regolamentati solo con i decreti flusso.

In un futuro prossimo ci si svincolerà dai flussi migratori e si allargheranno le quote per vari settori, tra cui quello agricolo, ma anche badanti e colf etc.

### 3. Hanno mai ricevuto audit in materia o hanno certificazioni su questo argomento?

No, le aziende associate non hanno ricevuto audit.

### 4. Se sì, che tipi? NA

### 5. Perché secondo lei gli agricoltori cercano e assumono migranti come lavoratori? NA

### 6. Cosa suggerirebbe per migliorare la situazione di agricoltori e lavoratori? NA

### 7. Il problema è annoso ed endemico: perché non è mai stato risolto?

La legge 199 è una legge positiva e riguarda tutti i settori del lavoro (non solo quello agricolo); con i 4 indicatori previsti, tale legge permette di capire se un'azienda sta compiendo sfruttamento delle persone ed eventuale riduzione in schiavitù. Da questo punto di vista la normativa ha fatto grandi passi avanti. Il settore agricolo è l'unico che deve garantire anche l'alloggio ed il trasporto e questo è un problema perché apre le porte al caporale che risolve in modo efficace i problemi dell'imprenditore agricolo.

Agrinsieme (CIA – Confagricoltura – Copagri) partecipano al progetto FILE (borsa telematica merci) promosso dalla Provincia di Foggia.

Da ricordare che la raccolta manuale del pomodoro da industria è poco diffusa. La meccanizzazione dei processi agricoli può costituire uno strumento di riduzione del problema legato al caporalato, in quanto riduce le esigenze di manodopera. Sarebbe importante avere un sistema di premialità che vada ad identificare le aziende virtuose, abbinato ad un marchio sui prodotti. Tale progetto è naufragato perché è stato giudicato come discriminatorio.

L'INPS ha attuato delle attività di controllo con i droni, tali attività hanno un'efficacia limitata in quanto il drone verifica solo la presenza di un numero di lavoratori coerenti con i dati amministrativi del personale ufficialmente assunto da quell'azienda ma non identificano le persone come effettivamente regolarizzati dai contratti. In effetti l'imprenditore agricolo potrebbe assumere con contratto una decina di persone, ad esempio famigliari e parenti che però rimangono a casa e magari percepiscono eventuali sussidi (maternità etc); in campagna invece vengono utilizzate 10 persone irregolari.

### 8. La GDO olandese vorrebbe dare il suo contributo su questa problematica: cosa potrebbe fare?

La soluzione sarebbe quella di innalzare i prezzi dei prodotti agricoli. Molto importante è anche la cultura, che deve essere diffusa per rendere consapevoli i consumatori italiani ed esteri, circa il reale valore dei prodotti alimentari che vengono acquistati, spendendo il giusto prezzo.

**1. Have you ever participated in initiatives like this?**

It is not the first time.

**2. To your knowledge, have your associates ever received human rights questions or questionnaires from their clients?**

Finding housing and transport to the farm field, it is not the core of the illegal hiring. There are no vouchers, which were a useful and quick tool to regularize seasonal work, even if with limits. Today it takes 10 days to activate the seasonal contract, this timing is incompatible with the needs of the agricultural sector and with the timing of harvesting agricultural products. In the agricultural sector, the demand for recruitment is always growing, despite the border blockade and other factors. 26% of the hires are represented by foreigners, regulated only by the flow decrees. In the near future, we will free ourselves from migratory flows and the quotas for various sectors will increase, including agriculture, but also carers and home helps etc.

**3. Have they ever received any audits on this matter or do they have certifications on this subject?**

No, member companies have not received audits.

**4. If so, what types?** NA

**5. Why do you think farmers are looking for and hiring migrants as workers?** NA

**6. What would you suggest to improve the situation of farmers and workers?** NA

**7. The problem is long-standing and endemic: why has it never been solved?**

Law 199 is a positive law and concerns all sectors of work (not only agriculture); with the 4 indicators provided, this law makes it possible to understand if a company is carrying out exploitation of people and possible enslavement. From this point of view, the legislation has made great strides. The agricultural sector is the only one that must also guarantee accommodation and transport and this is a problem because it opens the doors to the corporal who effectively solves the problems of the agricultural entrepreneur participate in the FILE project (electronic goods exchange) promoted by the Province of Foggia. It should be remembered that manual harvesting of industrial tomatoes is not widespread. The mechanization of agricultural processes can be a tool for reducing the problem linked to hiring, as it reduces the needs of manpower. It would be important to have a reward system that identifies virtuous companies, combined with a brand on the products. This project failed because it was judged as discriminatory. INPS has implemented control activities with drones, these activities have limited effectiveness as the drone only verifies the presence of a number of workers consistent with the administrative data of the personnel officially hired by that company but does not identify the persons as effectively regularized by the contracts. In fact, the agricultural entrepreneur could hire a dozen people with a contract, for example family members and relatives who, however, remain at home and perhaps receive any subsidies (maternity etc); in the countryside, on the other hand, 10 irregular people are used.

**8. The Dutch large-scale retail trade would like to give its contribution on this issue: what could it do?**

The solution would be to raise the prices of agricultural products. Culture is also very important, which must be spread to make Italian and foreign consumers aware of the real value of the food products that are purchased, at the right price.

## 14.6 Annex 6: Interview with an industry association

### **1. Avete mai partecipato ad iniziative come questa?**

Si ad esempio abbiamo firmato come intermediari l'accordo con XXX per la produzione del pomodoro etico (si toccano i rapporti di lavoro etici, legali, rispetto del contratto di lavoro etc.).

### **2. Che lei sappia, i vostri associati hanno mai ricevuto domande o questionari in materia di diritti umani dai loro clienti?**

Qualche GDO potrebbe richiedere informazioni documentate o autocertificazioni sugli aspetti dell'eticità del lavoro. Non veri e propri audit. E' da dire che alcune aziende si sono iscritte alla rete del lavoro agricolo di qualità (istituita con la legge 199 del 2016 sul caporalato). Circa 4.000 sono le imprese agricole iscritte.

### **3. Hanno mai ricevuto audit in materia o hanno certificazioni su questo argomento?**

La rete del lavoro agricolo di qualità rilascia un attestato di iscrizione dopo aver verificato le autocertificazioni presentate dall'impresa.

### **4. Se sì, che tipi?**

E' da dire che alcune aziende si sono iscritte alla rete del lavoro agricolo di qualità (istituita con la legge 199 del 2016 sul caporalato). Circa 4.000 sono le imprese agricole iscritte.

### **5. Perché secondo lei gli agricoltori cercano e assumono migranti come lavoratori?**

I lavoratori migranti rappresentano il 30% dei lavoratori agricoli dipendenti totali che sono in tutto 1,1 milioni in Italia ed è una percentuale in costante crescita. In questi anni ci si è indirizzati verso i lavoratori migranti perché sono maggiormente disponibili rispetto alla manodopera italiana che rifugge lavori troppo faticosi. Ci sono migranti che ogni anno vengono in Italia nelle nostre aziende ed hanno instaurato un rapporto fiduciario diretto con l'imprenditore agricolo. Se c'è bisogno di nuovo personale ci l'impresa si rivolge ai lavoratori già presenti che tramite conoscenza segnalano parenti o altri colleghi potenziali.

Circa 100.000 lavoratori migranti sono EU (soprattutto Romania). Tantissimi indiani e dal Bangladesh (soprattutto allevamento bovini).

### **6. Cosa suggerirebbe per migliorare la situazione di agricoltori e lavoratori?**

Per l'imprenditore agricolo il tema principale è il costo del lavoro che a volte è talmente alto da non coprire i costi di produzione. E' necessario che il prezzo del prodotto agricolo sia adeguato a remunerare almeno i costi di produzione. Relativamente ai lavoratori bisognerebbe intervenire sui trasporti e sugli alloggi. Il Progetto Osservatorio Agromafie prospetta di creare condizioni tali per cui vengano istituiti mezzi pubblici per trasferire la manodopera dai luoghi di residenza alloggi alle aziende agricole. Alcune aziende agricole si fanno carico di organizzare legalmente e in sicurezza il trasporto andata e ritorno dei braccianti dalle loro abitazioni. Sugli alloggi, molti di questi lavoratori stranieri vivono nell'abitazione rurale in azienda o trovano case in affitto, sono pochi sul totale quelli che vivono in condizioni disastrose.

Progetto con ANCI e Osservatorio Agromafie per recuperare i borghi abbandonati e gli spazi non utilizzati dai Comuni e utilizzabili per ospitare i lavoratori.

### **7. Il problema è annoso ed endemico: perché non è mai stato risolto?**

Perché il caporalato è un effetto non una causa. Se non si riesce a garantire all'imprenditore agricolo il prezzo equo non si può risolvere il problema del caporalato. Inoltre bisogna togliere le condizioni che favoriscono il caporalato (trasporti e alloggi ma anche tempestiva disponibilità della manodopera). Per il pomodoro una buona parte del problema sarebbe risolta dalla meccanizzazione della raccolta, anche se non è una soluzione definitiva.

### **8. La GDO olandese vorrebbe dare il suo contributo su questa problematica:**

cosa potrebbe fare?

Fintanto che siamo invasi da prodotto estero che non ha i costi di produzione che ha l'Italia, rappresentato principalmente dal costo della manodopera e quindi dalla compressione dei diritti dei lavoratori, la concorrenza sleale spinge in basso i prezzi anche del prodotto italiano.

Il suggerimento forte per la GDO Olandese è quello di riconoscere il giusto prezzo al prodotto italiano.

#### *Unofficial English translation*

#### **1. Have you ever participated in initiatives like this?**

For example, we have signed an agreement with XXX as intermediaries for the production of ethical tomatoes ( we have to deal with ethical and legal work relationships , respect for the employment contract, etc.).

#### **2. To your knowledge, have your associates ever received human rights questions or questionnaires from their clients?**

Some GDOs may require documented information or self-certifications on the ethical aspects of the work. Not true pro p ri audit. It must be said that some companies have signed up to the network of quality agricultural work ( established with the law 199 of 2016 on the illegal hiring) . Approximately 4,000 agricultural enterprises are registered.

#### **3. Have they ever received any audits on this matter or do they have certifications on this subject?**

The network of quality agricultural work issues a certificate of registration after verifying the self-certifications presented by the company.

#### **4. If so, what types?**

It must be said that some companies have signed up to the network of quality agricultural work (established with the law 199 of 2016 on the illegal hiring). Approximately 4,000 agricultural enterprises are registered.

#### **5. Why do you think farmers are looking for and hiring migrants as workers?**

Migrant workers represent 30% of total dependent agricultural workers who are 1.1 million in Italy and a percentage that is constantly growing . In recent years, there has been a focus on

migrant workers because they are more available than the Italian labor force that avoids too strenuous jobs . There are migrants who come to Italy every year to our farms and have established a direct relationship of trust with the agricultural entrepreneur . If you need new staff there the company is aimed at workers already present the that through knowledge indicate relatives or other potential colleagues. About 100,000 migrant workers are EU (mainly Romania) . Lots of Indians and from Bangladesh (mainly cattle breeding).

**6. What would you suggest to improve the situation of farmers and workers?**

For the agricultural entrepreneur, the main issue is the cost of labor which is sometimes so high that it does not cover production costs. It is necessary that the price of the agricultural product be adequate to remunerate at least the production costs. With regard to workers bisognerebbe sug take action on transport and the accommodation it. The project Observatory Agromafie promises to create conditions in which are established public transport to transfer labor from places of residence accommodation to farms. Some farmers take charge of organizze are legally and safely on round-trip transportation of laborers from their homes. Regarding housing, many of these foreign workers live in rural homes on the farm or find houses for rent , few out of the total are those who live in disastrous conditions . Project with ANCI and Agromafie Observatory to recover abandoned villages and spaces not used by the Municipalities and usable to host workers.

**7. The problem is long-standing and endemic: why has it never been solved?**

Because the hiring is an effect not a cause. If the farmer cannot be guaranteed a fair price, the problem of hiring is not solved . Furthermore, it is necessary to remove the conditions that favor the hiring (transport and accommodation but also the timely availability of manpower ). For the tomato a good part of the problem would resolve by mechanization of the harvest , although it is not a final solution.

**8. The Dutch large-scale retail trade would like to give its contribution on this issue: what could it do?**

As long as we are invaded by foreign products that do not have the production costs that Italy has, represented mainly by the cost of labor and therefore by the compression of workers' rights, unfair competition also pushes down the prices of the Italian product . The strong suggestion for the Dutch GDO is to recognize the right price for the Italian product.

## 14.7 Annex 7: Interview with an industry association

### **1. Che lei sappia, i vostri associati hanno mai ricevuto domande o questionari in materia di diritti umani dai loro clienti?**

XXX possiede un codice etico che riguarda tutti gli associati viene sottoscritto dai soci annualmente sull'impegno di conferimento. E' un documento di ampio respiro, approvato dall'assemblea e comprende anche il rispetto della normativa sul lavoro e degli aspetti etici. I soci ricevono audit da parte dell'industria (clienti diretti) e dai clienti delle industrie (catene distributive, importatori etc.) sui temi del lavoro. Questi audit vengono fatti presso le aziende agricole intervistando gli agricoltori, ma non viene rilasciato report né all'azienda agricola né alla OP né tantomeno viene rilasciato un feed-back. Ad oggi non ricevute non conformità o segnalazioni da parte dei clienti sugli aspetti del lavoro in azienda agricola.

### **2. Hanno mai ricevuto audit in materia o hanno certificazioni su diritto del lavoro?**

Vedi risposta precedente.

### **3. Se sì, che tipi? E hanno incluso anche i migranti?**

#### **4. I vostri associati lavorano con gli stessi lavoratori ogni anno?**

Preferibilmente sì perché c'è bisogno di lavoratori qualificati e competenti. Le aziende agricole utilizzano anche manodopera straniera, a volte ci sono dipendenti stranieri fissi da anni altre volte hanno presenza stagionale. Le aziende grandi o con la stalla hanno dipendenti fissi, aziende più piccole hanno personale stagionale il cui rapporto di lavoro, seppur regolare, è legato alla singola campagna di raccolta.

La manodopera straniera è integrata nel territorio, hanno abitazione propria e sono autonomi negli spostamenti dalla casa all'azienda agricola e viceversa.

Il sistema del caporalato qui non avrebbe le condizioni per esistere in quanto la manodopera, seppur stagionale è comunque integrata e strutturata all'interno della comunità in cui vivono ed il lavoro anche nelle singole campagne stagionali è continuativo.

#### **5. I clienti dei vostri associati hanno richieste di trasparenza fino agli agricoltori?**

Sì infatti fanno gli audit agli agricoltori, intervistandoli anche sui temi del lavoro.

#### **6. E' possibile avere tale trasparenza?**

Sì, c'è estrema trasparenza. In queste zone l'organizzazione delle aziende agricole è avanzata, c'è bisogno di personale competente e qualificato, c'è una forte meccanizzazione delle aziende agricole, si lavora su programmi pianificati e non c'è improvvisazione, condizione questa che facilita il caporalato che fornisce manodopera su base giornaliera quando serve.

Bisogna inoltre considerare che in generale la produzione mondiale dei derivati del pomodoro vede i seguenti player principali:

- 1) USA (California)
- 2) Italia
- 3) Cina

L'Italia compete con filiere globali organizzate e programmata dall'industria, tale programmazione mal si sposa con la prassi del caporalato, che si basa sulla fornitura di personale alla giornata, poco qualificato.

#### **7. Cosa hanno fatto?**

Il problema del caporalato non è presente. A livello agricolo la somministrazione di manodopera tramite le cooperative del lavoro è minima, non c'è bisogno di mediazioni da parte delle

cooperative e se ci sono molto marginali. Il rapporto è diretto tra imprenditore agricolo e lavoratore. Durante gli audit dei clienti vengono anche visionate le buste paga dei lavoratori.

## **8. La GDO olandese vorrebbe dare il suo contributo su questa problematica: cosa potrebbe fare?**

Ci sono due indicatori che possono far sospettare qualcosa di strano nella filiera pomodoro

- 1) Prezzo del prodotto finito troppo basso
- 2) Andare a verificare di persona o tramite un ente specifico che conduce audit cosa succede nelle aziende agricole.

*Official English translation*

### **1. To your knowledge, have your members ever received questions or questionnaires on human rights from their customers?**

The Producer Organisation has a code of ethics that concerns all associates and is signed by members annually on the commitment to contribute. It is a wide-ranging document, approved by the assembly and it also includes compliance with labor legislation and ethical aspects. Members receive audits from industry (direct customers) and industry customers (distribution chains, importers, etc.) on labour issues. These audits are done at the farms by interviewing the farmers, but no report is issued either to the farm or to the Producer Organisation, nor is any feed-back given. To date, no non-conformities or reports have been received from clients on farm labour issues.

### **2. Have they ever received any audits on this issue or have any certifications on labour law?** See previous answer.

### **3. If yes, what types? And have they included migrants?**

### **4. Do your associates work with the same workers every year?**

Preferably yes because there is a need for skilled and competent workers. Farms also use foreign workers, sometimes there are foreign employees who have been permanent for years, other times they have a seasonal presence. Large farms or farms with stables have permanent employees, smaller farms have seasonal staff whose employment, although regular, is linked to the single harvesting campaign.

The foreign labour force is integrated into the territory, they have their own homes and are autonomous in moving from home to the farm and vice versa.

The system of 'caporalato' (illegal recruiting) would not have the conditions to exist here because the labour force, although seasonal, is integrated and structured within the community in which they live and the work, even in individual seasonal campaigns, is continuous.

### **5. Do your associates' clients have requests for transparency as far as farmers are concerned?**

Yes, in fact they audit farmers, interviewing them on labour issues as well.

### **6. Is it possible to have such transparency?**

Yes, there is extreme transparency. In these areas the organisation of the farms is advanced, there is a need for competent and qualified personnel, there is a strong mechanisation of the farms, they work on planned programmes and there is no improvisation, a condition that facilitates the 'caporalato' who provides labour on a daily basis when needed.

It should also be considered that in general the world production of tomato derivatives sees the following main players:

- 1) USA (California);
- 2) Italy;
- 3) China.

Italy competes with global supply chains organised and programmed by the industry; this programming does not go well with the practice of illegal recruiting, which is based on the supply of unskilled personnel on a daily basis.

### **7. What have they done?**

The problem of illegal recruiting is not present. At the agricultural level the supply of labour through labour cooperatives is minimal, there is no need for mediation by the cooperatives and if there is it is very marginal. The relationship is direct between the agricultural entrepreneur and the worker. During the clients' audits the workers' pay slips are also viewed.

### **8. Dutch Large Distribution (GDO) would like to contribute to this issue: what could they do?**

There are two indicators that may point to something strange in the tomato chain:

- 1) The price of the finished product is too low
- 2) Go and check in person or through a specific body conducting audits what is happening on the farms.

## 14.8 Annex 8: Article Tomato News

Beneath the article is partially shared. (Branthôme F.-X. , 2021)

2/3/2021

IO Pomodoro Nord Italia: framework agreement reached for 2021 - Tomato News



### IO Pomodoro Nord Italia: framework agreement reached for 2021

📅 26/02/2021 - 👤 François-Xavier Branthôme - 🗳️ 2021 Season

Agreement for industrial tomatoes at EUR 92 /mT According to a press release published by the IO Nord Italia on the morning of 25 February, tomato producers' organizations and representatives of processing operators, after intense negotiations, reached a framework agreement on the evening of 24 February for the supply of the 2021 harvest's raw materials to processing plants of the northern regions of Italy.

#### **Contracts to be submitted to the IO before 17 March 2021**

Once again this year, quantities have been determined by implementing the instrument of pre-contracts, which directly assess the balance between supply and demand. The time schedule programming is based on an assessment of processing capacity and gives the indications required for adequate planning of transplanting operations. The aim is to enable partners to jointly achieve their goals: growers deliver all the tomatoes from their crops and industry operators process what they have decided to process.

#### **92 Euros per tonne: growers remain dissatisfied**

*"A greater effort could have been made, given the excellent performance achieved on sales of tomato pulp and puree in 2020, which confirms the recovery of internal consumption through big chain retailer channels."* These were the words of Giovanni Lambertini, Chairman of the processing tomato growers affiliated to the Confagricolura Emilia Romagna, commenting on the long and complex negotiations between Pos and industrial processors regarding the price of tomatoes for the 2021 season in northern Italy, which closed at EUR 92 per tonne (excluding service charges).

## 14.9 Annex 9: Tomato price range by the Chamber of Commerce

BORSA MERCI CAMERA DI COMMERCIO DI PARMA

listino n. 4

### DERIVATI DEL POMODORO prezzi del 29/01/2021

	U.M.	€ MIN	€ MAX	Var.in val.(MIN/MAX)	Var.in % (MIN/MAX)
<b>Triplo concentrato residuo refrattometrico minimo 36%</b>					
in fusti sterili o similari, peso netto	kg	€ 1,190	€ 1,440	0,000/0,000	0,000/0,000
in barattoli di marca da 1/2 kg nominale	cad.	€ 0,800	€ 0,870	0,000/0,000	0,000/0,000
in barattoli di marca da 5/1 kg nominali	cad.	€ 5,500	€ 5,700	0,000/0,000	0,000/0,000
in tubetti di marca da 100 g peso netto	cad.	€ 0,360	€ 0,420	0,000/0,000	0,000/0,000
in tubetti di marca da 185 g peso netto	cad.	€ 0,490	€ 0,550	0,000/0,000	0,000/0,000
in tubetti di marca da 200 g peso netto	cad.	€ 0,500	€ 0,570	0,000/0,000	0,000/0,000
in tubetti di marca da 280 g peso netto	cad.	€ 0,770	€ 0,850	0,000/0,000	0,000/0,000

Andamento del mercato: PREZZI DEL 22/01/2021

	U.M.	€ MIN	€ MAX	Var.in val.(MIN/MAX)	Var.in % (MIN/MAX)
<b>Doppio concentrato residuo refrattometrico minimo 28%</b>					
in fusti sterili o similari, peso netto CB	kg	€ 0,860	€ 0,915	0,000/0,000	0,000/0,000
in fusti sterili o similari, peso netto hB	kg	€ 0,890	€ 0,935	0,000/0,000	0,000/0,000
in sacchi sterili, peso netto 10 kg	cad.	€ 10,710	€ 11,110	0,000/0,000	0,000/0,000
in sacchi sterili, peso netto 20 kg	cad.	€ 21,715	€ 22,725	0,000/0,000	0,000/0,000
in barattoli di marca da 1/5 kg nominale	cad.	€ 0,300	€ 0,340	0,000/0,000	0,000/0,000
in barattoli di marca da 1/2 kg nominale	cad.	€ 0,710	€ 0,795	0,000/0,000	0,000/0,000
in barattoli di marca da 4/4 kg nominali	cad.	€ 1,350	€ 1,400	0,000/0,000	0,000/0,000
in barattoli di marca da 5/2 kg nominale	cad.	€ 2,720	€ 2,930	0,000/0,000	0,000/0,000
in barattoli di marca da 3/1 kg nominali	cad.	€ 3,150	€ 3,440	0,000/0,000	0,000/0,000
in barattoli di marca da 5/1 kg nominali CB	cad.	€ 4,850	€ 5,160	0,000/0,000	0,000/0,000
in barattoli di marca da 5/1 kg nominali HB	cad.	€ 5,280	€ 5,640	0,000/0,000	0,000/0,000
in tubetti di marca da 130 g peso netto	cad.	€ 0,395	€ 0,445	0,000/0,000	0,000/0,000
in tubetti di marca da 150 g peso netto	cad.	€ 0,405	€ 0,455	0,000/0,000	0,000/0,000
in tubetti di marca da 200 g peso netto	cad.	€ 0,460	€ 0,500	0,000/0,000	0,000/0,000

Andamento del mercato: PREZZI DEL 22/01/2021

	U.M.	€ MIN	€ MAX	Var.in val.(MIN/MAX)	Var.in % (MIN/MAX)
<b>Semplice concentrato residuo refrattometrico minimo 18% HB</b>					
in fusti sterili o similari, peso netto	kg	€ 0,650	€ 0,700	0,000/0,000	0,000/0,000

Andamento del mercato: PREZZI DEL 22/01/2021

	U.M.	€ MIN	€ MAX	Var.in val.(MIN/MAX)	Var.in % (MIN/MAX)
<b>Passata residuo refrattometrico minimo 7% HB</b>					
in scatole 3/1 nominale	cad.	€ 1,475	€ 1,635	0,000/0,000	0,000/0,000
in bottiglie 700 g peso netto	cad.	€ 0,490	€ 0,562	0,000/0,000	0,000/0,000
in sacchi sterili da 20 kg	cad.	€ 9,400	€ 10,600	0,000/0,000	0,000/0,000
in fusti sterili o similari, residuo refrattometrico 8%	kg	€ 0,450	€ 0,530	0,000/0,000	0,000/0,000
in fusti o similari, residuo refrattometrico min 12%	kg	€ 0,490	€ 0,565	0,000/0,000	0,000/0,000

Andamento del mercato: PREZZI DEL 22/01/2021

	U.M.	€ MIN	€ MAX	Var.in val.(MIN/MAX)	Var.in % (MIN/MAX)
<b>Pizza Sauce 12% - 14%</b>					
in fusti sterili o similari	kg	€ 0,485	€ 0,540	0,000/0,000	0,000/0,000
in barattoli di marca da 5/1 kg nominali	cad.	€ 2,970	€ 3,220	0,000/0,000	0,000/0,000

Andamento del mercato: PREZZI DEL 22/01/2021

	U.M.	€ MIN	€ MAX	Var.in val.(MIN/MAX)	Var.in % (MIN/MAX)
<b>Polpa di pomodoro (pomodori triturati) residuo refrattometrico minimo 5%</b>					
in fusti sterili o similari, peso netto	kg	€ 0,470	€ 0,520	0,000/0,000	0,000/0,000
in sacchi sterili, peso netto 10 kg	cad.	€ 5,480	€ 6,040	0,000/0,000	0,000/0,000
in sacchi sterili, peso netto 15 kg	cad.	€ 8,150	€ 8,830	0,000/0,000	0,000/0,000
in barattoli di marca da 1/2 kg nominale	cad.	€ 0,390	€ 0,440	0,000/0,000	0,000/0,000
in barattoli di marca da 4/4 kg nominali	cad.	€ 0,650	€ 0,720	0,000/0,000	0,000/0,000
in barattoli di marca da 3/1 kg nominali	cad.	€ 1,380	€ 1,650	0,000/0,000	0,000/0,000
in barattoli di marca da 5/1 kg nominali	cad.	€ 2,300	€ 2,550	0,000/0,000	0,000/0,000

Andamento del mercato: PREZZI DEL 22/01/2021

	U.M.	€ MIN	€ MAX	Var.in val.(MIN/MAX)	Var.in % (MIN/MAX)
<b>Polpa di pomodoro cubettata residuo refrattometrico minimo 5%</b>					
pezzatura 10/14 in fusti sterili e similari, peso netto	kg	€ 0,500	€ 0,560	0,000/0,000	0,000/0,000
pezzatura 16/20 in fusti sterili e similari, peso netto	kg	€ 0,510	€ 0,590	0,000/0,000	0,000/0,000

Andamento del mercato: PREZZI DEL 22/01/2021

	U.M.	MIN	MAX	Var.in val.(MIN/MAX)	Var.in % (MIN/MAX)
<b>Residui del pomodoro</b>					
Bucce, semi e cellulosa: umidità 10% circa	100kg	n.q.	n.q.		

Andamento del mercato:

Annex 9 Derivati del pomodoro 29/01/2021 (Camera di Commercio Parma, 2021)

## 14.10 Annex 10: Tomatoes for processing EU data

Annex 10 Tomatoes for processing EU data (EU FRUIT AND VEGETABLES MARKET OBSERVATORY, 2021)

### TOMATOES for processing

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Ø 10-20	20 vs 19	20/Ø 10-20
BELGIUM														
BULGARIA	22,0 **)	22,0 **)	25,0	37,4	32,1	32,4	15,4	60,4	29,8	37,5	26,3	30,9	-29,9%	-15%
CZECH REPUBLIC	15,0 **)	15,0 **)	15,0 **)	15,0 **)	20,0 **)	24,0 **)	24,0 **)		25,0	25,0	25,0	20,7	0%	21%
DENMARK														
GERMANY														
ESTONIA														
IRELAND														
GREECE	419,0	526,9	334,2	425,5	468,0	569,9	474,6	338,5	303,6	345,5	337,7	413,0	-2%	-18%
SPAIN	2 287,6	1 820,5	1 899,6	1 899,6	1 650,0	2 776,1	2 841,2	3 001,4	2 708,8	3 138,7	2 562,7	2 416,9	-18%	6%
FRANCE	198,0 **)	192,0 **)	192,0 **)	192,0 **)	176,8	170,2	173,6	177,9	164,1	163,0	146,8	176,9	-9,9%	-17%
CROATIA	8,1	8,9	6,9	7,5	7,4	9,9	6,9	12,0	11,0	7,9	7,6	8,6	-4%	-12%
ITALY	4 956,2 **)	4 823,0 **)	4 671,3 **)	4 671,3 **)	4 080,0 **)	5 365,7	5 458,5	5 075,1	5 250,3	4 729,0	5 198,6	4 934,5	10%	5%
CYPRUS	0,0 **)	0,0 **)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0		
LATVIA														
LITHUANIA														
LUXEMBOURG														
HUNGARY	35,0 **)	63,0 **)	15,0 **)	15,0 **)	69,5	70,0	69,5 **)	46,5	117,8	61,8	90,7	59,4	47%	53%
MALTA	8,8	8,5	6,2	6,2	7,2	7,9	7,9	7,2	6,8	6,0	6,7	7,2	12%	-8%
NETHERLANDS														
AUSTRIA														
POLAND	175,0 **)	164,3	153,3	153,3	154,7	134,1	160,9	158,2	149,9	138,7	140,5	153,0	1%	-8%
PORTUGAL	1 280,0 **)	1 150,8	1 298,9	1 089,5	1 310,4	1 310,4	1 598,4	1 650,4	1 226,1	1 440,7	1 255,3	1 328,3	-13%	-5%
ROMANIA	6,0	6,0	6,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0		
SLOVENIA														
SLOVAKIA	6,9	7,3	6,8	7,2	6,9	7,3	9,0	11,1	5,7	3,2	3,5	6,8	10%	-49%
FINLAND														
SWEDEN														
<b>TOTAL EU</b>	<b>9 418</b>	<b>8 808</b>	<b>8 630</b>	<b>8 520</b>	<b>7 983</b>	<b>10 478</b>	<b>10 840</b>	<b>10 564</b>	<b>9 999</b>	<b>10 097</b>	<b>9 801</b>	<b>9 558</b>	<b>-3%</b>	<b>2,5%</b>

### REFERENCE TO CHAPTER 6.1.2 RELEVANT ITALIAN LEGISLATION

#### ***Relevant European legislation versus Italian legislation when it comes to working conditions with a focus on seasonal workers and labour agencies: Italy is part of the EU what does the European and Italian law say?***

When conversations take place about the abuses in the Italian processed tomato industry, the defence includes the fact that Italy falls under the EU. Why is this argument used? According to the precedence principle, European law is superior to the national laws of member states. The precedence principle applies to all European acts with a binding force. With European law becoming superior to national law, the principle of precedence therefore ensures that citizens are uniformly protected by a European law assured across all EU territories. (EUR-Lex, 2010)

With regards to human rights, the European Union law states that: 'Respect for human rights and dignity, together with the principles of freedom, democracy, equality, and the rule of law, are values common to all European Union (EU) countries. They also guide EU's action both inside and outside its borders.'

European action in this area is based on the Treaty on the Functioning of the European Union to which the Charter of Fundamental Rights, proclaimed in 2000, is annexed. Since 2009, the Charter has been legally binding on the EU institutions and national governments. The Charter is consistent with the European Convention on Human Rights. However, it does not, as such, establish any new rights but serves to put together existing rights that had been scattered between different sources.

Important articles in the Charter of Fundamental Rights of the European Union related to the human rights issues in the Italian processed tomato chain are (European Union, 2016):

- Article 1: Human dignity is inviolable. It must be respected and protected;
- Article 5: Prohibition of slavery and forced labour;
- Article 12: Freedom of assembly and of association;
- Article 20: Equality before the law;
- Article 21: Non-discrimination;
- Article 23: Equality between women and men;
- Article 27: Workers' right to information and consultation within the undertaking;
- Article 28: Right of collective bargaining and action;
- Article 31: Fair and just working conditions (mentions specifically health, safety, dignity, maximum working hours and required rest);
- Article 35: Health care;
- Article 47: Right to an effective remedy and to a fair trial.

Besides the Charter of Fundamental Rights, the EU adopted the Protocol of 2014 to the Forced Labour Convention of the International Labour Organisation (ILO). The decision of the EU authorised EU governments to ratify the Protocol of ILO and call for them to do so by the end of 2016. EU countries were therefore required to develop a national policy and plan on action to

prevent forced labour, to improve the protection of victims and to provide them access to remedies, including compensation.

Migrant workers are covered by the Seasonal Workers Directive (Directive 2014/36/EU), which grants them equal treatment in terms of employment conditions, minimum working age, working conditions and occupational health and safety measures. The directive provides a set of harmonised rules for the admission, residence, and rights of third country seasonal workers. It was designed to support the effective management of migration flows and to guarantee decent working and living conditions for seasonal workers. It restricts their stay in the EU to between five and nine months per year and limits possibilities for family reunification. (EUR-Lex, 2014)

Each EU country must provide the European Commission a list of sectors that are dependent on seasonal conditions. To be admitted working in the EU, seasonal workers must submit permit applications including a work contract or a binding job offer specifying pay, working hours and other conditions. They must provide evidence of adequate lodging. Once on the EU territory, workers are entitled to extend their work contract (more than once) or change employer within the maximum permitted stay, provided they meet the entry conditions and no grounds for refusal apply. Seasonal workers have the right to equal treatment to nationals of the host country when it comes to terms of employment, such as the minimum working age, working conditions (such as pay and dismissal, working hours, leave and holidays) and health and safety regulations. The right to equal treatment also applies to social security benefits linked to sickness, invalidity and old age, training, and advice on seasonal work. It does not apply to unemployment and family benefits. (European Parliamentary Research Service (EPRS), 2021)

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### Applicable ILO conventions and their connection to Italian law

European countries often refer in their legislation and requirements to ILO conventions. Standards and certification schemes have adopted these conventions as well in their criteria. An extensive overview of the applicable ILO conventions in correlation with Italian law is given in appendix 5.

The ILO conventions consists of approx. 190 conventions and several protocols. The conventions focus among others on working hours, minimum age, right of association, discrimination, compensation, weekly rest, equality treatment, minimum wage, and health & safety in agriculture.

Eight of those conventions are labelled 'fundamental'. The convention and connected protocol of Forced Labour is amongst these eight. The fact that eight conventions are fundamental can be supported when looking at the human rights issues identified in the Italian processed tomato chain. The identified issues of forced labour, low wages, excessive working hours, lack of access to justice, restrictions on freedom of association, and sexual harassment and (gender) discrimination are all labelled as 'fundamental' issues since ILO published the list of fundamental conventions in 2002.

Convention No. 143 (24 articles) was created in 1975 to describe the right of migrant workers<sup>10</sup> and the right of governments with regards to this minority. The Convention that was created to

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<sup>10</sup> Definition of migrant worker in Convention No. 143 Migrant Workers: the term migrant workers means a person who migrates or who has migrated from one country to another with a view to being employed otherwise than on his own account and includes any person regularly admitted as a migrant worker. (International Labour Organisation, 1975)

protect the rights of migrant workers, is however hardly protecting migrant workers, depending on the legal status of a migrant. For undocumented migrants, the protection with this convention is limited. Most of the conventions end with *'for persons who as migrant workers or as members of their families are lawfully within its territory.'* (International Labour Organisation, 1975) Only article 1 (*'Each Member of which this Convention is in force undertakes to respect the basic human rights of all migrant workers.'*) has a protective nature.

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## Relevant Italian laws on exploitation

1. Not part of ILO Conventions is the update on the [law No. 196](#) 'Rules on the promotion of Employment' from 1970, which has been constantly revised till the last update in 2018. This update contains urgent provisions to ensure the dignity of workers and businesses.
2. Other relevant laws explain that all employment contracts are ruled under Collective Bargaining Agreements (CBA/CCNL) and/or local Bargaining Agreements (e.g., in Puglia etc.). All CBAs must be negotiated and signed between unions and employer associations. With this legislation, the level of control increased, with the goal to improve the work- and living conditions of workers (not necessarily migrant workers). Most workers are covered by minimum wage agreements in those bargaining agreements, because in the Italian constitution there is no statutory minimum wage stated. (Consiglio Nazionale Dell 'Economia e del Lavoro, 2018) (Oxfam International , 2019)
3. Another law developed to eliminate the exploitation of (migrant) workers is the [Rosarno law](#) of 2012. (Oxfam International , 2019) The law describes the crime of employing irregular migrant workers, including the case of exploitative conditions, as well as the additional financial sanction of payment of the worker's return costs to the country of origin. (2012) (Amnesty International, 2012) Moreover, the law states that a residence permit for humanitarian reasons can be provided to the migrant workers who are victims of "particularly exploitative working conditions", but only when a migrant worker decides to report the employer to the authorities and cooperate in criminal proceedings against them. (2012) Restrictions created by the seasonal permit system (explained in chapter 8.1 Root Causes), are limiting the protection that the Rosarno law is expected to provide to (irregular) migrant workers. (Amnesty International, 2012)
4. By means of the [Regularization Decree](#) of May 2020, the (ex-) Minister of Agriculture tried to find a solution for the shortage of agricultural workers caused by the restriction due to the COVID-19 pandemic. The decree intended to regularize the already undeclared workers and illegal migrant workers, and to find labor during the pandemic through a seasonal extension of their expired residence permits. The results were however minimal due to the limitation of the scope, namely only workers in agriculture, domestic workers, and caregivers. Also, the migrants who applied had to comply with very specific requirements that were difficult to meet.

While the indirect intend was to weaken the position of caporale with this regularization decree, the measure worked the other way around. According to a national newspaper it led to a trade flow of false contracts to get access to the regularization process. (Camera dei deputati Servizio Studi, 2021) (Ministero del Lavoro e delle Politiche Sociali, 2020)

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## Specific law against 'Caporalato'

[Law 199/29](#) October 2016:

Regulations and provisions on countering undeclared work, exploitation in agriculture and wage adjustment in the sector. Based on this law, labour exploitation can be punished even in the absence of illicit brokering in recruiting workers.

The most important points in this law are:

- Introduction of a criminal offense under the heading of 'caporalato' (illegal mediation and labour exploitation). This element makes it possible to prosecute the parties involved;
- Mitigation of the sentence when cooperating with the authorities;
- Obligation to arrest if caught in the act;
- Possibility of confiscation of companies and machines on suspicion of or research into 'caporalato';
- Possibility to also prosecute legal entities with regards to 'caporalato';
- The funds to fight human trafficking can also be used for compensating the victims of 'caporalato';
- Strengthening the Quality Agriculture Network, a network of companies that comply with rules properly;
- Adjustments of salaries in the agricultural sector.

#### Judgment 6905 of the High Council

Important statement in the context of combating 'caporalato': disproportionate wages for work performed is a criminal offense (February 25, 2021). Other criminal offenses based on the legislation are violations of the regulations regarding working and rest times as well as safety and hygiene.

#### Key issues that remain unaddressed while fighting 'caporalato' and exploitation

- **Management of migration.** Obtaining residence or work permits is difficult for migrant workers. This contributes to the vulnerability of this group;
- **Existence of official, legal alternatives for labour recruitment.** In the agricultural sector it remains difficult to find workers, especially because there are limited legal recruitment agencies that can tackle the demand (and supply). Employers in shortage of seasonal workers have therefore not a lot of (legal) alternatives to guarantee availability of workers to harvest the tomatoes.

#### Law enforcement

It is important to note that some of the above-mentioned laws concern exclusively Civil Code and do not go into the criminal area, unless specifically described as in article 2 of Law 199 in 2016. In this article the Criminal Code (Art. 632 bis) has been rewritten and updated – 'Intermediazione illecita e sfruttamento del Lavoro' - *translation 'Illegal intermediation and exploitation of work(ers)'*.

For instance, if workers are not paid, employers do not incur into criminal prosecution but only administrative sanction.

Furthermore, the enforcement has come back in the Recovery Plan the Italian government developed to fight the hidden 'caporalato'. This practice is one element of policy reforms and investment in labour/employment, partly because of the recommendations of the EU Commission to do more against irregular work. The first target is to determine the number of inspections, and gradually increase this number with 20% before the end of 2024.

The plan envisages four focus points: 1) build upon the experiences of the Three-Year Plan (2020-2022) 'Combating exploitation of workers in the agricultural sector and of caporalato'<sup>11</sup>; 2) increase knowledge of the 'black' phenomenon; 3) improve the collection techniques and methods of sharing data on undeclared work; 4) introduce direct and indirect measures to transform undeclared work into regular work, so that the benefits from operating in the regular economy outweigh the costs of continuing to operate in the irregular economy. The Recovery Plan also provides indicators to be able to measure the effectiveness of the actions with regards to regularizations that have taken place.

In the Recovery Plan the emphasis is on strengthening the National Labour Inspectorate that had already been planned for all economic activities, e.g., expanding from 4,500 to 6,500 inspectors in the coming months. There is no specific focus on agricultural activities. Special attention is paid to combating the slums/illegal settlements, being a fertile ground for the infiltration by criminal groups that make the conditions of the workers who live there even more vulnerable. (Il Fatto Quotidiano, 2021) (Dutch Embassy - Rome, 2021)

However, in July 2021, the initiative was still looking for a director to lead the above-mentioned Three-Year plan. Therefore, scaling up the investments in inspections or other pillars had been slowed down according to CGIL-FLAI. (Bilongo J. R., 2021)

## 14.12 Annex 12: Mapping of ILO conventions versus local law

### *Annex 12 Correlation Matrix between ILO Convention numbers and local law*

<b>Correlation Matrix between ILO Convention numbers and Local Law.</b>	
ILO Conventions: Number	Italian Laws
1 - Durata del lavoro (industria), 1919	R.d.l. 29/03/1923, n. 1429 (G.U. 13/07/1923, n. 164)
2 - Disoccupazione, 1919	R.d.l. 29/03/1923, n. 1021 (G.U. 29/03/1923, n. 137)
3 - Protezione della maternità, 1919	L. 02/08/1952, n. 1305 (Suppl. ord. G.U. 17/10/1952, n. 242)
4 - Lavoro notturno (donne), 1919	R.d.l. 29/03/1923, n. 1021 (G.U. 12/06/1923, n. 137)
6. Lavoro notturno dei fanciulli (industria), 1919	R.d.l. 29/03/1923, n. 1021 (G.U. 12/06/1923, n. 137)
10 - Età minima (agricoltura), 1921	R.d.l. 20/03/1924, n. 585 (G.U. 06/05/1924, n. 107)
11 - Diritto di associazione (agricoltura), 1921	R.d.l. 20/03/1924, n. 601 (G.U. 06/05/1924, n. 107)
12 - Risarcimento degli infortuni sul lavoro (agricoltura), 1921	R.d.l. 26/04/1930, n. 878 (G.U. 07/07/1930, n. 157)

<sup>11</sup> The Three-Year Plan (2020-2022) is created to fight the exploitation of agricultural workers and fight the 'caporalato' by introducing a national strategy. This strategy has 10 priorities for strengthening the Network of Quality Agriculture (La Rete del lavoro agricolo di Qualità): improving supply and demand of labour, living conditions, transport solutions, protection of victims, etc. (Ministero del Lavoro e delle Politiche Sociali, 2020)

18 - Malattie professionali, 1925	R.d.l. 04/12/1933, n. 1792 (G.U. 10/01/1934, n. 7)
19 - Uguaglianza di trattamento (infortuni sul lavoro), 1925	L. 14/01/1929, n. 417 (G.U. 12/04/1929, n. 86)
26 - Metodi di fissazione dei salari minimi, 1928	L. 26/04/1930, n. 877 (G.U. 09/07/1930, n. 159)
29 - Lavoro forzato, 1930	L. 29/01/1934, n. 274 (G.U. 03/03/1934, n. 53)
36) - Assicurazione-vecchiaia (agricoltura), 1933	R.d.l. 06/05/1935, n. 1364 (G.U. 30/07/1935, n. 176)
38) - Assicurazione-invalidità (agricoltura), 1933	R.d.l. 06/05/1935, n. 1364 (G.U. 30/07/1935, n. 176)
(40) - Assicurazione-superstiti (agricoltura), 1933	L. 02/08/1952, n. 1305 (Suppl. or. G.U. 17/10/1952, n. 242)
42 - Risarcimento delle malattie professionali (riveduta), 1934	L. 02/08/1952, n. 1305 (Suppl. ord. G.U. 17/10/1952, n. 242)
44 - Indennità di disoccupazione, 1934	L. 02/08/1952, n. 1305 (Suppl. ord. G.U. 17/10/1952, n. 242)
(48) - Conservazione dei diritti a pensione dei lavoratori migranti, 1935	L. 02/08/1952, n. 1305 (Suppl. ord. G.U. 17/10/1952, n. 242)
52 - Ferie pagate, 1936	L. 02/08/1952, n. 1305 (Suppl. ord. G.U. 17/10/1952, n. 242)
60) - Età minima (lavori non industriali) (riveduta), 1937	L. 02/08/1952, n. 1305 (Suppl. ord. G.U. 17/10/1952, n. 242)
78 - Esame medico degli adolescenti (lavori non industriali), 1946	L. 02/08/1952, n. 1305 (Suppl. ord. G.U. 17/10/1952, n. 242)
79 - Lavoro notturno degli adolescenti (lavori non industriali), 1946	L. 02/08/1952, n. 1305 (Suppl. ord. G.U. 17/10/1952, n. 242)
81 - Ispezione del lavoro, 1947	L. 02/08/1952, n. 1305 (Suppl. ord. G.U. 17/10/1952, n. 242)
87 - Libertà sindacale e protezione del diritto sindacale, 1948	L. 23/03/1958, n. 367 (Suppl. ord. G.U. 17/10/1958, n. 97)
89 - Lavoro notturno (donne) (riveduta), 1948	L. 02/08/1952, n. 1305 (Suppl. ord. G.U. 17/10/1952, n. 242)
95 - Protezione del salario, 1949	L. 02/08/1952, n. 1305 (Suppl. ord. G.U. 17/10/1952, n. 242)
97 - Lavoratori migranti (riveduta), 1949	L. 02/08/1952, n. 1305 (Suppl. ord. G.U. 17/10/1952, n. 242)
98 - Diritto di organizzazione e di negoziazione collettiva, 1949	L. 23/03/1958, n. 367 (G.U. 22 04/1958, n. 97)
99 - Metodi di fissazione dei salari minimi (agricoltura), 1951	L. 19.10.1970, n. 864 (Suppl. ord. G.U. 28/11/1970, n. 302)
100 - Uguaglianza di retribuzione, 1951	L. 22/05/1956, n. 741 (Suppl. ord.n. 1 G.U. 27/07/1956, n. 186)
101 - Ferie pagate (agricoltura), 1952	L. 22/05/1956, n. 741 (Suppl. ord.n. 1 G.U. 27/07/1956, n. 186)
102 - Sicurezza sociale (norme minime), 1952	L. 22/05/1956, n. 741 (Suppl. ord. G.U. 17/10/1952, n. 242)
103 - Protezione della maternità (riveduta), 1952	L. 19/10/1970, n. 864 (Suppl. ord. G.U. 28/11/1970, n. 302)

105 - Abolizione del lavoro forzato, 1957	L. 24/04/1967, n. 447 (G.U. 26/06/1967, n. 158)
111 - Discriminazione (impiego e professione), 1958	L. 06/02/1963, n. 405 (G.U. 06/04/1963, n. 93)
117 - Politica sociale (obiettivi e norme di base), 1962	L. 13/07/1966, n. 657 (G.U. 27/08/1966, n. 212)
118 - Parità di trattamento (sicurezza sociale), 1962	L. 13/07/1966, n. 657 (G.U. 27/08/1966, n. 212)
119 - Protezione dalle macchine, 1963 05/05/1971	L. 19/10/1970, n. 864 (Suppl. ord. G.U. 28/11/1970, n. 302)
122 - Politica dell'impiego, 1964	L. 19/10/1970, n. 864 (Suppl. ord. G.U. 28/11/1970, n. 302)
127 - Peso massimo, 1967	L. 19/10/1970, n. 864 (Suppl. ord. G.U. 28/11/1970, n. 302)
129 - Ispezione del lavoro (agricoltura), 1969	L. 10/04/1981, n. 157 (Suppl. ord. G.U. 29/04/1981, n. 116)
135 - Rappresentanti dei lavoratori, 1971	L. 10/04/1981, n. 157 (Suppl. ord. G.U. 29/04/1981, n. 116)
138 - Età minima, 1973	L. 10/04/1981, n. 157 (Suppl. ord. G.U. 29/04/1981, n. 116)
141 - Organizzazione lavoratori agricoli, 1975	L. 03/02/1979, n. 68 (Suppl. ord. G.U. 02/03/1979, n. 61)
143 - Lavoratori migranti (disposizioni complementari), 1975	L. 10/04/1981, n. 158 (Suppl. ord. G.U. 29/04/1981, n. 116)
144 - Consultazioni tripartite relative alle norme internazionali del lavoro, 1976	L. 10/04/1981, n. 159 (Suppl. ord. G.U. 29/04/1981, n. 116)
159 - Reinserimento professionale e occupazione (persone disabili), 1983	L. 07/06/2000
175 - Lavoro a tempo parziale, 1994	L. 13/04/2000
182 - Forme peggiori di lavoro minorile, 1999	L. 25/05/2000, n. 148 (G.U. 12/06/2000, n. 135)
183 - Protezione della maternità, 2000	D.Lgs. 151/2001 s.m.i.

## 14.13 Annex 13: Assessing the role and impact of external organisations

### REFERENCE TO CHAPTER 7.6 ASSESSING THE ROLE AND IMPACT OF EXTERNAL ORGANISATIONS

*Assessing the role and impact of local unions, NGOs, and industry associations: what is the influence of the local unions, NGOs, and Industry associations when it comes to the salient human rights issues in the tomato supply chain?*

The external organisations that have had the most influence on the current situation in the Italian chain of processed tomatoes are trade union FLAI-CGIL, and industry associations ANICAV and Coldiretti. Furthermore, NGOs such as Oxfam, Terra! and many others have been active in this sector with a specific focus on human right violations.

#### FLAI-CGIL

FLAI-CGIL is a trade union in Italy. The FLAI is a trade union of the CGIL that organizes agricultural workers and workers in the food processing industry. Among its fundamental statutory principles is to protect, defend and promote the individual and collective rights of the workers. They aim to support permanent and seasonal, seasonal, adventitious employees and to strengthen solidarity among all stable, seasonal, and unemployed workers.

One of their focus areas is agricultural and specifically the area of human rights issues occurring in the agricultural sector. For many years, they have been working on raising awareness on human rights violations in the agricultural sector and the presence of mafia (caporalato). Every few years, FLAI-CGIL together with Placido Rizzotto Observatory, conduct comprehensive research into the situation of the agricultural sector. This is published in a report called *Agromafie e caporalato* (in Italian). Last year, the newest, fifth report was published. (Placido Rizzotto Observatory & FLAI - CGIL, 2020)

The FLAI-CGIL campaigns organized to address the human rights issues in the Italian processed tomato chain are visible and contain a strong message. Their campaigns have reached the national government by protesting, media attention and organising events. The European Union recognized FLAI-CGIL as an important partner in raising awareness on undeclared work in the agricultural sector in Italy. Their campaign 'Back in the Field' was launched in 2011 and is now an annual event. (Stefanov, Mineva, Terviez, & EOOD, 2019)

Furthermore, FLAI-CGIL is one of the partners in the initiative 'La Rete del lavoro di Qualità', the Network of Quality Agriculture. This initiative was created in 2015 and aims to register agricultural producers, who are then checked against exploitative practices in the past. Once approved, they are a member of the Network and declared free from worker issues. In chapter 9.1, the initiative is explained in detail.

#### Coldiretti

Coldiretti is an agricultural association that represents around 1.5 million members at a national and European level. The association was founded in 1944 as a union for small agricultural entrepreneurs. Currently, the association is widespread and well-organised and representing small to medium sized agricultural entrepreneurs.

One of the focus areas of Coldiretti is the made-in-Italy brand. The association joined in several initiatives and started projects in the past, to promote and strengthen the made-in-Italy brand. Furthermore, with its large number of members, Coldiretti is a powerful organisation reaching many branches and decision levels. This was confirmed by FLAI-CGIL, who stated that Coldiretti is influencing the decisions and legislation on a national level. (Bilongo & Ruffalo, 2021)

In August, the president of Coldiretti, Ettore Prandini, sent a letter to Interior Minister Luciana Lamorgese to ask for an extension of stay permits for non-EU citizens working in Italian agriculture. Coldiretti stated in the letter published by the organization in August, that it was necessary to extend permits that expired on July 31<sup>st</sup> to at least December 31, to prevent many qualified seasonal workers from being forced to return to their home country. Prandini wrote that this could lead to problems in the harvest of several agricultural commodities.

According to Coldiretti, over one-fourth of the Italian produce has been picked by foreigners. Their estimation is assumed to be the most accurate in this assessment. (ANSA, 2021)

Lastly, Coldiretti is one of the partners together with Federdistribuzione and FAI - the Italian agricultural chain - who have signed a memorandum of understanding, which resulted in an initiative focusing on sustainable products. Last January, the first sustainable bell peppers arrived on the tables, which respect to the environment and biodiversity, fight exploitation, and guarantee fair compensation to farmers. (FederDistribuzione, 2020) Especially this last element, fair compensation to farmers, is a relevant issue in the Italian processed tomato chain. Therefore, this initiative is explained in chapter 9.1.

The cooperation of Coldiretti in this initiative, with two large partners, show that Coldiretti is a party of influence in the agricultural sector in Italy.

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## ANICAV

ANICAV is the national association of industrial vegetable food preserves. The focus is mainly on tomatoes, legumes and citrus fruits. The association states that over 70% of the total turnover of the entire processed vegetable production was produced by companies associated with ANICAV in 2020. Furthermore, about 70% of all tomatoes processed in Italy, is processed by associated companies. (ANICAV, 2021) The association, that exists since 1945, has over 100 member companies. It is one of the largest associations representing tomato processing companies worldwide.

Because the attention to the subject by media (nationally and within Europe), NGOs, governmental organisations, trade unions, etc. members, ANICAV has been receiving questions and complaints, resulting in a negative picture. On the 24<sup>th</sup> of June this year, members again received negative comments. This led to a public letter of ANICAV, addressing its concerns to a wide audience. Beneath the title and first paragraph is given:

### **To discredit the sector without reason damages the economy of the country**

"In recent weeks we have been witnessing a barrage, by some media, against the tomato processing industry: speaking indistinctly of fraud, of enslaved labour only sheds bad light on an entire sector which represents one of the Italian agri-food excellences in the world both in terms of turnover and quantity produced and which plays an important strategic and driving role in the national economy. ..."

The association is (as also represented by the number of members) an organisation that has a large voice in the agricultural sector. This letter reached the national newspapers and other media, resulting in a wide audience.

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## Impact of NGOs

In the last decade, several studies have been published that addressed the human rights issues in the Italian tomato/agricultural sector.

Oxfam alone has conducted an impact assessment in 2018 for a Swedish retailer, published a year later another report stating again the issues, and published in September a human rights impact assessment on the Italian wine sector for a Swedish company. (OXFAM International, 2019) (Oxfam & Terra! , 2018) (Oxfam: Gore, Alestig, Banerji, & Ceccarelli, 2021)

Amnesty International already pointed out the issues in their report called 'Exploited Labour. Migrant Workers in Italy's Agricultural Sector', published in 2012. (Amnesty International, 2012)

In Italy, the campaign #FilieraSproca is one of the largest of its kind. This campaign is promoted by Terra! Onlus, daSud and terrelibere.org. The campaign aims to reconstruct the path of agri-food products from the field to the supermarket shelves. #FilieraSporca proposes the transparency of agri-food supply chains, from large-scale distribution to multinationals, through the introduction of a narrative label and the public list of suppliers, because clear information allows consumers to choose 'slavery free' products. (#FilieraSporca, 2015)

This is just a selection of active NGOs in the Italian processed tomato sector/Italian agricultural sector. NGOs, European companies, and FLAI-CGIL along with media are the potential causers of the questions that ANICAV in the letter above is referring to. The pressure by NGOs and media appears to have made several Italian tomato growers to change their production process, thereby reducing the application of manual unskilled labour in their fields. However, as the undocumented labourers are still present in the production areas and are in need of agricultural work, it is widely assumed that they are increasingly deployed in supply chains other than processed tomatoes.

However, the issues are still present in this particular sector. Even though the pressure has certainly been high (especially in the periods after a report was published or a new campaign launched), the exploitation of (undocumented) migrant workers continues at the level of growers.

As a result of increasing mechanisation, the demand for unskilled labour in the processed tomato sector may have gone down. However, this does not imply that the processed tomato supply chains are now free from labour exploitation, as before sending in the combine and accompanying tractors, the best tomatoes (in size, firmness, ripeness) may be harvested by hand. Then, unskilled workers are employed at the combine (some three persons) and one or two workers may follow the combine picking leftover plants and fruits. Furthermore, the reduced demand for unskilled labour in the processed tomatoes with the continued presence of (undocumented migrant workers) in the area, entailed an increase in labour exploitation in other agricultural supply chains and other crops requiring manual labour and/or seasonal workers.

### REFERENCE TO CHAPTER 6.1.6 REQUESTED AUDITING TOOLS AND STANDARDS

*What audit tools and standards do the Dutch retailers or premium-brand manufacturers use to get an insight into the human rights issues in their Italian tomato supply chain: can the available audit tools provide insight into the human rights situation in the Italian tomato supply chain?*

The interviewed organisations have different ways to retrieve insights in the human rights risks in their supply chain. Some do not take any actions at all; others rely on third party standards, and some have an own audit team (mix of first- and second-party auditors) that gain insights into the human rights status of their supply chain actors until the level of the individual farmer. As Italy for the majority of buyers is not seen as a high-risk country linked to the contractual requirements, the request for evidence that there are no social compliance issues are not part of the requirements. Therefore, the majority of the Italian processors are asked to deliver a food certification that is benchmarked by the GFSI (IFS, BRC etc). Some require the processor also to be audited against a social standard like BSCI, SMETA/SEDEX/ETI, SA8000, but this was a minority. Some have agricultural standards such as GlobalG.A.P, and GlobalG.A.P. GRASP in their policies for fresh suppliers. But we have not seen this as a requirement for farmers that play a role in the Italian processed tomato supply chain.

The four standards that were used most have been investigated regarding their coverage of the identified salient issues mentioned in chapter 7.2 and 7.3. Some of the Dutch retailers and premium brand manufacturers have their own sustainability code of conduct, which they also audit against. These individual, internal protocols have been left out of the analysis and conclusions.

The outcome of the analysis of the third-party standards is summarized below. The analysed standards, with their specifications are:

#### **Amfori BSCI**

The audit process of BSCI is a 2-year certification cycle, with annual audits. Amfori BSCI states that it is a tool rather than a standard. This is why they work with performance areas and questions instead of criteria like other standards. The validity of the certification depends on the audit score, A or B is a high score and has a longer validity, C or lower is a low score and has a shorter validity. At the end of a BSCI audit, an audit report is created. BSCI is focusing mostly on the social compliance requirements at processing level. In 2022, amfori BSCI aims to introduce auditor interpretation guidelines for small farms (incl. small-holders), and for large farms.

#### **SA8000**

SA8000 works with bi-annual surveillance audits of which at least one in the first three years must be unannounced. Companies must recertify every three years. After the audit, companies receive a certificate. SA8000 also focuses mainly on social compliance requirements.

#### **SMETA/SEDEX/ETI**

The SMETA audit process depends on the party requesting the audit. Sedex does not determine the audit cycle, this is left to the buyers accepting the report and their programmes. Sedex recommends however that a risk-based approach is followed i.e., annually for high-risk sites, every 2 years for medium-risk and for low-risk sites requirements are to be determined by the buyer. After the audit, an audit report is shared with the customer. SMETA's largest focus is on social compliance requirements, but environmental requirements are also well covered.

### **GlobalG.A.P GRASP**

In the analysis of the GLOBALG.A.P GRASP add-on standard, the version applicable for Italy was used. The add-on is in addition to the GLOBALG.A.P. Integrated Farm Assurance standard which is part of a scheme that applies an audit cycle of annual audits and an unannounced visit. The GRASP assessment is valid for 12 months and creates a report after the audit. This add-on of GlobalG.A.P. focuses on social and quality requirements only. Therefore, only this add-on (GRASP) is analysed.

### **Fairtrade and Rainforest Alliance**

For many commodities the standards Rainforest Alliance and Fairtrade are used for the coverage of social compliance requirements. These schemes do only audit primary production locations outside Europe. Commodities and products that are processed in Europe and follow a chain of custody but are originating from countries outside Europe, can be Rainforest Alliance or Fairtrade certified. Tomatoes are not part of the scope of these standards.

## **REFERENCE TO CHAPTER 7.7 COVERAGE OF SALIENT ISSUES BY AUDIT TOOLS AND STANDARDS**

*Cross check the criteria of the first-second and third-party audit tools, versus actual list with salient human right issues: To what extent do audit tools monitor the selected human rights issues in the Italian tomato chain?*

### **Benchmark process**

First, the issues regarding work- and living conditions are separated in seven categories. These different pillars represent often different chapters in standards as well. Next, general criteria points are assigned to the issues identified in this impact assessment. The categories investigated are the following:

- Workforce and labor contracts;
- Working hours, wages, and benefits;
- Worker health and safety;
- Freedom of association and access to grievance mechanism;
- Discrimination and harassment;
- Other (interviews with migrant workers, record on workforce).

Furthermore, during the analyses of a sustainability standard, two elements have had an important focus: migrant workers and recruitment via a caporalato.

As described, migrant workers have the highest risk to experience any of the issues identified in comparison with other groups. Their vulnerability is among others caused by their (il)legal status and the lack of contracts. Therefore, each individual standard has been analysed to determine in

what extent the group of migrant workers is considered and included by a standard in its definitions and criteria. The same analyses, in which extent (illegal) recruitment via caporalato is considered and included by a standard, is applied for the second focus point.

After the analyses of whether a criterion of a particular standard covers the risk, the audit report of that standard is analysed. An audit report shows what is actually checked during an audit and with whom. While a certification manual is created by a standard to list all criteria and rules in a very extensive way, the audit report is the actual checklist (except for amfori BSCI) an auditor uses during his/her visit on a production site. Therefore, the audit report analyses has been the third step in this benchmark process.

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### Level of coverage per standard

Each individual standard is analysed with the aim to determine the actual coverage of the identified issues by that specific standard.

#### Amfori BSCI

BSCI defines seasonal workers as follows: *A worker who works on a short-term basis or in certain seasons. In the context of an amfori BSCI audit, they are reported as seasonal workers, odd-jobbers, or casual workers.* Migrant workers may fall in this category of seasonal workers, but in specific sections migrant workers are mentioned specifically. Therefore, it seems that the group of migrant workers is part of the term seasonal workers, but also a different group of itself. This can create confusion. (amfori BSCI, 2020)

In chapter 2.3 of the amfori BSCI standard manual, migrant workers are explicitly mentioned concerning working contracts. It states that *"migrant workers need to be trained and must receive a version of the work contract in a language that they understand"*. However, in the chapters about forced labour, the migrant workers are not specifically addressed. Therefore, it is for the auditor and requesting parties to assume, whether migrant workers are covered in certain criteria. (amsfori BSCI, 2018)

It is of that reason, that the criteria 'Undocumented migrant works with no contract', 'Low wages', 'Health and safety risks on farms for workers', '(Gender) Discrimination against (female) migrant workers', and 'Interviews with migrant workers' are covering the risks well. The other criteria are more or less covered because migrant workers are not explicitly mentioned, which causes confusion. (amfori BSCI, 2018)

Regarding the coverage of the issue of illegal recruitment via caporalato and the corresponding issues that are caused by this recruitment and result in severe risks (forced labour, low wages, excessive working hours, health and safety risks, etc.), BSCI scores medium. The standard has a specific criterion on recruitment of migrant workers (figure 2), which is however not a critical criterion. It also does not define whether recruitment by a caporalato (criminal organisation) also falls under the definition of recruitment agency, broker, or labour subcontractor. This is why this criterion is more or less covered and not fully. (amfori BSCI, 2018)

## 11.2 Is there satisfactory evidence that the auditee acts rigorously and diligently when engaging and recruiting migrant workers both directly and indirectly?



**Effectiveness:** To verify the effectiveness of the ways in which the auditee acts diligently when recruiting migrant workers, the auditor must at least evaluate that:

- The auditee understands that migrant workers are more vulnerable than other workers towards ending up in forced labour situations
- The auditee pays attention and vigilance to indirect engagement (e.g. via recruitment agencies, brokers or labour subcontractors)
- The auditee devotes unambiguously attention and potential remediation to the following aspects:
  - Absence of state protection (both country of origin and host country)
  - Debt bondage (e.g. the worker had to pay a recruitment fee to the agency and she/he lacks transparency on the terms of employment such as deductions and remuneration)
  - Restriction of movement (visa, travel documents or vital possessions are held by the agency or employer. Workers who do not understand the host country language may face more restricted movement)
  - In agriculture, any cultivation organised on a communal basis by virtue of law or custom, is not regarded as compulsory cultivation as defined in the ILO Convention 29 (art. 19.2)

*Figure 7 BSCI criterion on Migrant Recruitment (amfori BSCI, 2018)*

Finally, the audit report of an amfori BSCI audit was analysed, in which the following audit elements stood out:

- The total number of workers at every audited site is separated into work groups. In that table, migrants are separated into two groups: national citizens and foreign citizens. They are not counted as seasonal workers, but only as a separate group.
- The audit report requires an auditor to check with employees whether contractual requirements and rights have been explained to them and the auditor requests to see evidence of this explanation/meeting/training.
- During an amfori BSCI audit, an auditor needs to check all criteria. Only if they see an issue, this is mentioned in the audit report.
- It is unclear in the audit report who the interviewed workers were and in which category of workers they belonged.

Overall, amfori BSCI scores medium, with only 4 criteria that cover some of the identified issues. The definition of migrant workers and whether they are covered when the manual refers to seasonal workers is to be assumed. Especially, because the audit report clearly separates migrant workers from seasonal workers. Furthermore, the recruitment of workers via a caporalato, which is in other words recruitment by a criminal organisation, is not covered well in the criteria of BSCI.

The current guidelines of BSCI are designed for actors after the production on farm level, such as processors. They notice however an increasing demand in agricultural audits on farm level at their members. This demand, in combination of the lack of crucial elements (also identified during this assessment) in their current guidelines, resulted in the development of farm audit guidelines (for small/smallholder farmers and large farms). Migrant workers have a more prominent role in these guidelines and illegal recruitment (including caporalato) are according to amfori BSCI covered as well.

## SA8000

In the SA8000 Guidance document, employees are all referred to as workers. In chapters 7.1 till 7.4 and 8.4 specific attention is paid to short-term business demand and piece rate pay and incentives. But generally, SA8000 does not distinguish different categories of workers in the workforce.

The SA8000 Guidance Document does have however some clear requirements that cover the issues that have been identified. This is the case for forced labour, for which SA8000 created among others criterion 2.3: *'The organisation shall ensure that no employment fees or costs are borne in whole or in part by workers.'* It also described that under SA8000, the organisation is responsible for all workers on site, regardless of who is the direct wage payer. The organisation referred to is the production site to be audited.

As described in chapter 7.1.2, low wages are partly a result of the deduction of the fees the caporalato is requesting for its service. SA8000 recognized this risk and prohibits the payment of any employment fees or costs that are borne in whole or in party by the worker; organisations are therefore responsible for paying any fees or costs associated with this process. Furthermore, it is according to SA8000 the responsibility of an organisation who make use of private employment agencies to conduct due diligence of any entity that supplies labour, to guarantee that they do not create circumstances that may make workers vulnerable to forced labour. Any entity that supplies labour can include criminal organisations such as caporalato, but this would be an assumption.

Within the chapter of forced labour, a reference is made to migrant workers in the auditor guidance. This guidance shows examples of issues that an auditor should consider, however, the guidance is not exhaustive, nor is every item in the guidance mandatory. It is therefore unclear, whether during the audit, migrant workers are looked at as a specific group, but in the auditor guidance, SA8000 asks auditors to consider the following:

*"Migrant workers are particularly vulnerable to forced labour in comparison to local workers. Migrants often lack the basic subsistence that a home can provide, as well the necessary language skills to navigate a new environment. They are less likely to be represented by a trade union or other workers' organisations, and they may be less aware of their basic rights and of how best to protect such rights. Many migrant workers may have gone into debt to obtain a job, and, as a consequence, they must work away from home under exploitative arrangements made by their creditors. Other migrant workers may have signed contracts with recruitment agencies before moving to the factories, without a clear understanding that the contracts might contain elements that compromise their rights and limit their freedom. Keeping such background in mind, whenever there is a large portion of migrant workers in the workforce, auditors should use due diligence to check through relevant documentation and conduct extensive interviews to ensure that no migrant worker is subject to any form of exploitation, coercion, or discrimination." (SA8000, 2016)*

In the Health and Safety module, SA8000 positively stands out due to specific chapter on Extreme Temperatures. Workers and the worker representative in a health and safety committee are interviewed to check whether measures are taken in cases of extreme heat or cold. SA800 did however not include any criteria on transportation of workers (by recruiter or on site) in their standard. (SA8000, 2016)

Furthermore, SA8000 scores relatively well with regards to the coverage of the issue of discrimination against (female) migrant workers. Also in this chapter, in the auditor guidance there is attention paid to discrimination against migrant workers or ethnic minorities. During an audit, an auditor must consider the following when he or she checks the criteria on discrimination:

*"If the organisation hires migrant workers, auditors should verify that it has a policy and takes appropriate action to ensure equality of opportunity and treatment between migrant and local workers and members of all ethnic groups, regardless of their employment status (seasonal, contracted, etc.). For instance, the organisation is required to ensure that migrant workers get equal treatment with respect to remuneration, career advancement, legally required social security, overtime arrangements, and trade union rights, among others. In countries where government and private benefits (e.g., social security, health insurance, unemployment insurance etc.) are not available to migrant workers, organisations need to consider how to ensure equitable treatment and access to opportunity when considering the employment of migrant workers."* (SA8000, 2016)

SA8000 works mainly with certificates, but parties can request summary reports. In the audit summary report, auditors are asked to fill in how many women, man, migrant women, and migrant men are working at a facility or production site.

In conclusion, SA8000 is partly covering the issues identified, it is however unclear whether migrant workers are well protected and checked by the standard and whether recruitment via caporalato are included in the term 'entities that supply labour'. Transportation is not included in their Health and Safety module, but extreme temperatures is.

### ETI/SMETA/Sedex

In this analysis, the Sedex Members Ethical Trade Audit (SMETA), version 6.1 of 2019 is used. The measurement criteria are based on the ETI Base Code, which is based on both international standards and ILO conventions.

In the analyses of standards, SMETA is the best covering standard of the identified issues. In chapter 8 'Regular Employment', the standard lists three definitions that are of great importance in the standard guidelines. (Sedex, 2019)

- 1) The term 'migrant worker' refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a seasonal basis to another in-country region to seek and engage in a remunerated activity.
- 2) The term 'Contractors' in this context are generally individuals who supply several workers to a site brought in under the responsibility/employment of a 3<sup>rd</sup> party company. Usually, the contractors are paid by the site and the wages of the individual workers are paid by the contractor. Common terms include 'gang bosses' or 'labor provider'.
- 3) The term 'Agency workers': in this context are generally a local agent who supplies several workers to a site brought in under the responsibility/employment of a 3<sup>rd</sup> party company. Usually, the agencies are paid by the site and the wages of the individual workers are paid by the agency.

According to SMETA (in their review of this analysis) migrant workers are not always explicitly mentioned in their standard but this group is included in the scope of an audit. *'Where different*

*worker types are called out, this is done to draw attention to specific data on key risks, but this does not mean that migrant workers are excluded from other sections of the code review.'* It is still however to be assumed whether a specific criterion is checked with a migrant worker during an audit, even though they are in scope for the interviews. Furthermore, it is unclear whether migrant workers recruited and brought to an employer by a caporalato belong to the 'agency workers' or 'migrant workers'. (Sedex, 2019)

There is, however, a crucial note made to the auditor in their guidelines that ensures that migrant workers are in any way interviewed (no matter in which worker group definition they belong). The guidelines state that at any employment sites, where agency or seasonal labour is heavily relied upon, worker interviews must include a representative sample of people and departments within the production site including agency, contract, and migrant workers. Documentation should be organised in advance of the audit for documents to be available at the employment site for inspection, including any relevant documentation with regards to agencies and agency workers. If records for agencies and agency workers are not available, the employment site should explain why this is the case and a non-compliance should be raised under management systems to monitor agencies. (Sedex, 2019) (Sedex, 2019)

Furthermore, criterion 8.31 requires the auditor to look at the pay and conditions of agency workers at least meet legal requirements. In combination with criterion 8.33, *'Whether clear and transparent systems are in place to recruit workers. The auditor gives details on migrant workers and agency worker recruitment processes.'*, issues regarding worker contracts, wages and working hours are likely to be checked. (Sedex, 2019) (Sedex, 2019)

In the interview phase of an audit, the auditor must also answer the questions on whether workers (including migrant workers) understood the terms of their employment at recruitment, and whether migrant workers did have to pay any fees, taxes, deposits, or bonds to be recruited. (Sedex, 2019) (Sedex, 2019)

The audit report of SMETA is an apprehensive report. It includes a worker analysis, in which migrant workers and local workers are categorized in male, female, permanent, seasonal, agency and homeworkers. Auditors are required to point out which workers have been interviewed. The audit report furthermore follows the order of the SMETA Guidelines. Also in the audit report, criterion 8.4 is an additional element: *'There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, seasonal or casual labor. The supplier shall implement processes to enable adequate control over agencies with regards to the above points and related legislation'*. There are, however, no check boxes in the audit report for the auditor regarding the additional elements and the level of reporting is minimal compared with mandatory elements.

Furthermore, 'migrant workers' have a placeholder in the SMETA audit report in which the auditor must check four elements (type of work, recruitment agency details, voluntary deductions, and skills and position) and must ask for evidence, such as payslips. For 'contractors' there is also a placeholder. An auditor must check whether contractors are on site, how many workers are supplied by contractors, and whether contractor workers understand their terms of employment, based on evidence.

To summarize, SMETA auditors are required to check specific elements for migrant workers with regards to recruitment, understanding of contracts, deduction of wages, access to grievance mechanisms, and discrimination. Other criteria that are created to cover the issues with low wages, excessive working hours, forced labour, health and safety on the site and transportation, and freedom of association do have criteria in the SMETA Guidelines, but they do not refer to migrant workers, while specific attention should be paid to this group. (Sedex, 2019) (Sedex, 2019)

### **GlobalG.A.P. GRASP**

GLOBALG.A.P GRASP is an add-on of the GLOBALG.A.P Integrated Farm Assurance standard. For this analysis, the GRASP module created for production sites in Italy is investigated, which is a sub-module. The GRASP module refers to ILO conventions, which have been ratified in Italy.

Both in the GLOBAL.G.A.P. Integrated Farm Assurance standard and GRASP modules, migrant workers are indicated by the term “foreign national” employees. This group of workers, in combination with subcontracted workers, must be interviewed by an auditor during an audit if applicable. Italy is seen as a medium-risk country by GLOBALG.A.P. and therefore auditors must take additional measures, such as cross-checking evidence at interviewed producers, to check all topics covered during a regular audit. Furthermore, GRASP auditors must increase the sample size of worker interviews when there are different types of employment and migratory status.

GRASP has a system where the workers representative has an important role during the audit. The coverage of the risks for the vulnerable group of migrant workers is therefore also depending on whether they are well represented through the worker representative. For each of the elements in the standard, the auditor is informed on who to interview as a supportive measure.

In some critical points, which is the criteria structure of GRASP, the standard uses the term non-national employees. This would refer to migrant workers as well. Their legal status and working permits are checked during an audit, together with contracts and payslips.

Furthermore, GRASP refers to a self-declaration form. The auditor must check whether the management and the employees’ representative(s) have signed, displayed, and put in practice a self-declaration assuring good social practice and human rights of all employees. This declaration contains at least commitment to the ILO core labor conventions (ILO Conventions 111 on discrimination, 138 and 182 on minimum age and child labor, 29 and 105 on forced labor, 87 on freedom of association, 98 on the right to organize a collective bargaining, 100 on equal remuneration and 99 on minimum wage) and transparent and non-discriminative hiring procedures and the complaint procedure. The self-declaration states that the worker-representative(s) can file complaints without personal sanctions. If the self-declaration form is signed, this means that the ILO Conventions are followed and thus no risks related to the core conventions above are faced.

Regarding the recruitment of workers, the GRASP interpretation guidelines for Italy only states that auditors must compare payslips and the recruitment documents in the compliance area of ‘Wages’. Besides this comment, recruitment is not mentioned, and no reference is made to recruitment via criminal organisations (caporalato), only to official agencies. In the checklist of GRASP, the auditor does not need to report on this element at all. Furthermore, deductions of

wages by employers or recruiters are not checked and therefore not covered as a risk by this standard.

However, GLOBALG.A.P. GRASP is in the process of an update, expected to be released in the first quarter of next year. The revision has been in collaboration with the Italian National Technical working group. The updated assessment includes three key additions to the latest version used during this analysis. The three “soon to come” elements are:

- 1) Verification processes of the legality of any organization providing labor that need to be checked by producers. GLOBALG.A.P. is creating a tool that can assess social risks at recruitment agencies, which would help a producer check and prove the legality of a recruitment agencies. Furthermore, extra criteria will be added on proving the worker has entered voluntarily, even for the subcontracted employees.
- 2) GRASP systems to raise the voice of the workers (i.e. complain mechanism, worker representation and evidence of voluntary work) are extended to all workers, included those considered subcontracted workers.
- 3) GRASP will mention the possibility that some producers are forced to use caporalato labor by being threatened or due to the lack of other options in the area.

These three elements are improvements that would decrease the risks for migrant workers and increase the coverage of the identified issues. However, in the current version there are still some gaps.

The health and safety criteria are not covered in the GlobalG.A.P. GRASP module, only in the GlobalG.A.P. standard itself. The GRASP add-on is not valid without an Integrated Farm Assurance certificate.

In conclusion, the GRASP add-on of GLOBALG.A.P. does have critical control points in place that cover most of the risks for the identified issues. GRASP auditors in Italy have to interview workers during their visit and cross-check information with evidence, in order for a producer to receive a positive assessment. Migrant workers are included in the sample group and auditors must take additional measures to cover all types of employment and migratory statuses.

However, the coverage of the issues for migrant workers (and workers), recruited via caporalato, are more complex and need clearer/extra criteria, to make sure this group is also checked during an audit. The issue of recruitment via caporalato (an unofficial recruitment agency) is not covered at all in this module but is a “soon to come” element.

## 14.15 Annex 15: Attribution of root causes to human rights impact

### Annex 15 Attribution of stakeholders to each of the identified root causes

Root causes	Root causes in more detail	How does it cause human rights impacts?	What is the (level of) attribution of Dutch retailers and premium-brand manufacturers to each root cause?
<b>Migration push factors out of parts of Africa</b>	Low, unstable and insecure income (out of agricultural production, business or employment) for large parts of population in (Eastern, Western and Northern) African countries.	(Potential) migrants are vulnerable to human exploitation in uncertain and insecure contexts or as undocumented people; they can be lured into exploitative labour arrangements and have little opportunity to reject or demand change.	The factors pushing migrants out of Africa is truly a root cause as without these reasons for migration, people would not be so vulnerable to exploitation.
	Youth in several African countries hear about income levels and development in the EU (through social media) which they aim to reach for themselves and for their families.		This root cause is beyond the sphere of influence of Dutch retailers and premium-brand manufacturers.
<b>Criminal practices enabling and enduring labour exploitation</b>	Criminal human traffickers make attractive offers to desperate migrants who (unrealistically) wish to believe their promises.	Criminal networks make use of the vulnerability of migrants, both by making money on human trafficking, on prostitution and on labour arrangements.	This root cause is beyond the sphere of influence of Dutch retailers and premium-brand manufacturers. Criminal organisations are and have been present in Italy and this is not caused by the Dutch retailers and premium-brand manufacturers.
<b>Point of entry in EU and Dublin regulation</b>  <i>Enabling factor = not a root cause</i>	Non-EU migrants landing at the coast of Italy may not have the intension of staying in Italy; French speaking people may want to go to France; native English speakers to the UK, those who are attracted by the German industry, may want to go to Germany etc.	The Dublin regulation leads to migrants who enter Italy and do not want to stay in that country, remaining unregistered and having an illegal status; as they usually are in urgent need for money to proceed their journey to the country of their choice, they look for work and accept inhuman labour conditions (as they think that it will be for a short while only).	The Dublin regulation may not be a root cause but enables the human exploitation as it can make migrants more vulnerable and more open to accepting inhuman living and working conditions.
	Non-EU migrants may not want to report and register in Italy due to the Dublin regulation (this implies that they will not be covered by any law or regulation in Italy; as such, they do not have a legal status and are undocumented; this increases risks of being impacted by labour exploitation).		This root cause is beyond the sphere of influence of Dutch retailers and premium-brand manufacturers.

<p><b>Price competition in an international context (declining prices)</b></p>	<p>High pressure on sales price of processed tomato products put by international buyers, has been passed on to prices of tomatoes for processing which has caused tomato growers to reduce their cost price; the main variable cost that they were able to cut down on, has been the cost of unskilled labour; as a result, the primary and secondary working conditions of unskilled labour in the production of tomatoes for processing have been deteriorating over the past years.</p>	<p>Downward pressure on sales price without options of increasing efficiency or cutting fixed costs, caused pressure on the main variable cost: unskilled labour. Farmers may take the risk of working with caporalato, which is against the Italian law.</p>	<p>The Dutch retailers and premium-brand manufacturers are as buying organisations, and low sales price can result race to the bottom of cost pricing.</p>
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***Enabling factors and/or maintaining factors for human exploitation***

<p><b>Persistent human exploitation structures</b></p>	<p>Italian and other EU criminal organisations operate in Africa arranging and executing human trafficking into the EU for labour purposes.</p>	<p>Criminal organisations see the financial opportunities in the supply of (undocumented) migrants. The profits of and the demand of a flexible workforce, maintains the exploitative conditions.</p>	<p>The persistent human exploitation structures, created and maintained by criminal organisations are highly attributing to the identified human rights salient issues. These structures enable the continuance of human rights issues in the Italian processed tomato chain (and other industries).</p> <p>The level of attribution of Dutch retailers and premium-brand manufactures to the persistent human exploitation structures is limited. They do however have an influence on some supply chain actors in raising awareness towards the level of the individual Italian farmer. Their buying practices cannot directly influence criminal or illegal behaviour.</p>
	<p>Presence of criminal networks in Southern Italy on the landing grounds of the migrants directing them into illegal labour structures.</p>		
	<p>Financial profits from human trafficking and migrant labour are more attractive than other criminal ventures.</p>		
	<p>The legal protection in Italy is weak and the exploitation of undocumented migrants is difficult to address.</p>	<p>Labour conditions for migrants are poorly kept and controlled by authorities or sector organisations; as a result, exploitative labour arrangements can persist and can even become standard to the sector</p>	
	<p>Farm inspection on the implementation of labour laws and standards is poor and incomplete.</p>		
	<p>Migrant workers, especially those who do not want to get registered in Italy, have no real options to join organisations.</p>	<p>Migrant labourers have very few options of complaining about their labour conditions, especially as they are in illegal positions</p>	

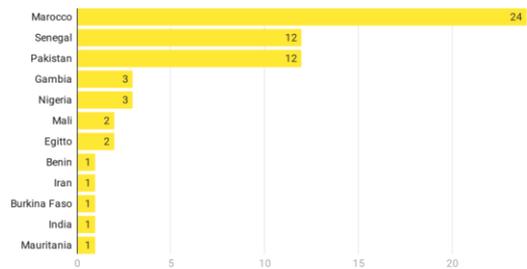
# 14.16 Annex 16: IOM initiative

**63**  
MIGRANT  
WORKERS  
ASSISTED

Number of cases assisted by Region

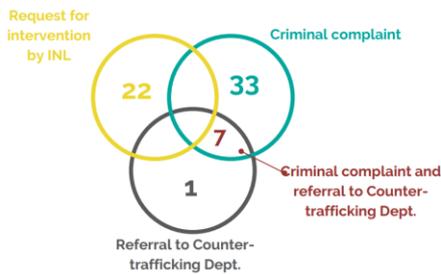


Number of cases assisted by nationality

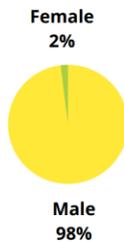


Source: IOM Italy - Created with Datawrapper

Number of cases assisted by type of support



Number of cases assisted by gender



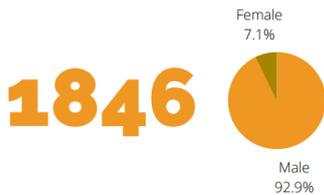
Number of cases assisted - status as of 31 December 2020

To date, 63 migrant workers victims (and potential victims) of labour exploitation have been assisted by IOM. 22 migrant workers have submitted a request for intervention to the INL and 41 have filed a criminal complaint against their gang master or employer. In particular:

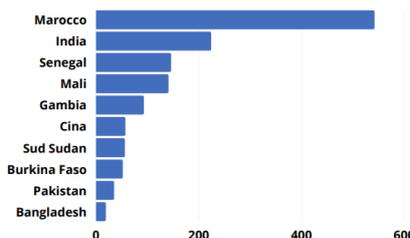
- 1 victim of labour exploitation and illegal employment has reached socio-economic self-subsistence
- 5 victims of severe labour exploitation have been included in the counter-trafficking protection and social integration programme
- 7 migrant workers have obtained a permit to stay specifically issued for victims of labour exploitation

Figure 8 Project Results IOM

Migrant workers (extra EU) informed during labour inspections



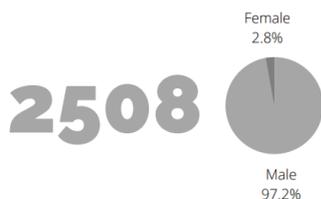
Migrant workers informed during labour inspections by country of origin (top 10)



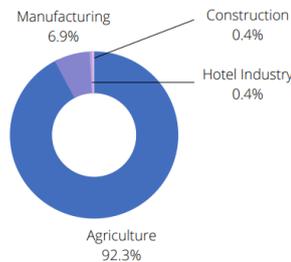
Living arrangements, legal and work status

**29%** Migrant workers declaring to reside in informal settlements\*

Migrant workers (extra EU) informed during outreach sessions



Labour inspections per sector



**18%** Migrant workers declaring not to possess a regular permit to stay\*\*

**17%** Migrant workers declaring not to possess a regular work permit\*\*

\*Data collected during labour inspections  
\*\*Data collected during outreach sessions